Torrent Pharmaceuticals Limited
Integrated Annual Report 2022-23

torrent PHARMA
Not Just Healthcare...Lifecare

Expanding Horizons



Deepening Trust

Inside this Report

About Torrent Pharma

Torrent Pharmaceuticals Limited ('Torrent Pharma' or 'the Company'), the flagship Company of Torrent Group, is one of the leading pharmaceutical companies. Besides its significant presence in India across therapeutic segments, the Company has a global presence across more than 40 countries, serviced through its 7 manufacturing units located across India.

Market Capitalisation
₹ 566 billion ($6.88 billion)
(as on 31st March, 2023)

Scrip Codes

BSE	NSE
500420	TORNTPHARM

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Torrent Pharma has achieved substantial growth in the branded generics market, with notable success observed in India and Brazil as the leading markets, followed by the rest of the world (RoW).



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Expanding Horizons Deepening Trust

Torrent Pharma is a purpose-driven Company, committed to driving sustainable and profitable growth. The Company believes in creating value through inclusive practices that prioritises all its stakeholders and associated aspirations. To achieve this, it has developed an integrated strategy that emphasises both organic and inorganic growth, with a strong focus on building trust in branded generics markets.

Torrent Pharma is making substantial investments in branded generic markets, allowing the Company to harness its expertise and broaden the presence in pivotal markets.

Growing and expanding inorganically has always been an integral part of the Company's growth strategy. Its recent acquisition of Curatio Health Care (I) Private Limited ('Curatio') is a reflection of the Company's expansion strategy and a testament to its commitment to delivering trust-based and patient-centric solutions to the fraternity of medical practitioners and patients. In 2022-23, Torrent Pharma acquired 100% stake of Curatio. The latter has a strong presence in the cosmetic-dermatology segment with a portfolio of over 50 brands marketed in India. Over the last decade, cosmetic dermatology as a therapy has delivered 16% CAGR, which is 1.6x of the Indian Pharmaceutical Market (IPM) CAGR. With this deal, Torrent Pharma has entered the league of top 10 players in the dermatology segment and has become a leader in the cosmetic-dermatology space.

In addition to pursuing inorganic growth, Torrent Pharma has also been investing to accelerate organic growth in branded-generics markets such as India, Brazil, Philippines and Mexico. The Company has crafted a strategy of organic growth through brand building and therapeutic expansion, field-force productivity, in-licensing collaboration, and new product launches.

During the year, Torrent Pharma has also invested in sustainability initiatives as a part of its Environmental, Social and Governance (ESG) roadmap adopted in the bygone years. The Company's growth with the sustainability model prioritises ESG principles, allowing it to create sustainable value and competitive advantage while remaining accountable to the planet and its people.

Torrent Pharma maintains unwavering dedication to its mission of driving profitability and capital efficiency, all while fostering resilience, accountability, and sustainability throughout the business practices. The Company's commitment to sustainability remains a top priority as it forges ahead, expanding its horizons and building a promising future for all stakeholders involved.

About the Report

Torrent Pharma is delighted to unveil its third Integrated Annual Report for the fiscal year ending on 31st March, 2023. Serving as the Company's flagship report, this marks the 50th year of engaging with stakeholders. The report embodies the Company's commitment to offer a comprehensive and transparent overview of its strategy, business model, risks and opportunities, performance, and future prospects pertaining to significant financial, economic, social, and governance matters.

Framework and Standards

This Report is guided by the Integrated Reporting <IR> Framework of the International Integrated Reporting Council (IIRC). The report is also in accordance with Global Reporting Initiatives (GRI) and is inspired by United Nations Sustainable Development Goals (UN SDGs).

The Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Secretarial Standards published by the Institute of Company Secretaries of India are also complied within certain sections of this Integrated Report. The Company encourages its stakeholders to read them in conjunction with the contents.

Reporting Period

This Report covers information pertaining to the period 1st April, 2022–31st March, 2023 and covers disclosures regarding India and overseas operations of the Company.

Responsibility Statement

The Board has taken careful consideration to ensure the accuracy and completeness of content of this report. In preparing this Report, the respective functions and business units have worked diligently. The Board acknowledges their efforts in providing accurate and relevant information to create a reliable representation of the Company's performance.

Feedback and Contact Details

The Company is open to hearing your feedback and concerns/suggestions on the Integrated Annual Report to enrich future reporting initiatives. The Company thanks its readers for their valuable time and interest.

Write to us at:
investorservices@torrentpharma.com

Torrent Pharmaceuticals Limited
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Ahmedabad – 380009,
Gujarat, India
www.torrentpharma.com

Stakeholders Impacted

Torrent Pharma engages periodically with its key stakeholders to understand their needs, interests, and concerns and align the Company's strategies accordingly.

- **Patients**
- **Channel Partners**
- **Healthcare Professionals**
- **Suppliers**
- **Employees**
- **Government and Regulators**
- **Communities**
- **Industry Associations**
- **Investors and Shareholders**

Capitals Impacted

The capitals include the key inputs and relationships the Company requires to carry out its business.

Financial Capital
Read more on pg 58

Manufacturing Capital
Read more on pg 60

Intellectual Capital
Read more on pg 64

Human Capital
Read more on pg 70

Social and Relationship Capital
Read more on pg 82

Natural Capital
Read more on pg 92

Material Issues

The report contains information on the material topics of concern for the stakeholders that could have a significant influence on the Company's ability to create and sustain value over the short, medium and long-term.

- M1 Product Quality and Safety
- M2 Innovation: Strengthening R&D Pipeline
- M3 Water and Wastewater Management
- M4 Energy Efficiency and Renewable Energy
- M5 Employee Engagement, Safety and Well-being
- M6 Equality
- M7 Ethics and Business Integrity
- M8 Adherence to Laws

Read more on pg 41

Strategic Themes

With a strong focus on sustainability, responsible business practices and value creation for stakeholders, Torrent Pharma has six strategic themes, aligning with its short, medium and long-term goals.

- ST1 Improve Market Share in Core Markets
- ST2 Invest in Tomorrow's Growth Engines
- ST3 Operational Excellence
- ST4 Engaged and Empowered Stakeholders
- ST5 Deploy Digital Technologies
- ST6 Responsible Actions

ST denotes Strategic Theme

Read more on pg 49

UN SDGs Aligned*



*For reference purpose only

Performance Highlights for 2022-23

Torrent Pharma has achieved strong financial growth, generating returns for its shareholders while demonstrating a strong commitment to sustainability and social responsibility in the past year. The Company reduced its GHG emissions, increased its usage of renewable energy, and implemented a variety of programmes to support education and healthcare initiatives for the communities around them.



Economic

₹9,620 crores Revenue — 13% ▲

₹2,842 crores Operating EBITDA — 17% ▲

₹1,245 crores PAT — 60% ▲

22% ROCE

₹36.79 EPS

₹22 DPS

Y-o-Y ▲



Environment

6.30% Reduction in Energy Consumption

3.74% Reduction in Carbon Footprint

2.54% Renewable Energy Share of Total Energy Capacity

1.68 MW Solar Energy Capacity Installed

5,813 tonnes Waste Recycled or Reused



Social

4,196 New Employees Onboarded

100% Employees Obtained Training on Health and Safety

1,300+ Field Force Expansion

4.99 lakhs Manhours of Training Imparted

₹26 crores Contribution Towards CSR Initiatives



Governance

100% Compliance to Code of Conduct, Resulting in Zero Conflict of Interest

6 Out of 10 Board Members are Independent Directors

7 Out of 10 are Non-Executive Directors

5 Board Committees

Life Takes Centre Stage in All Endeavours

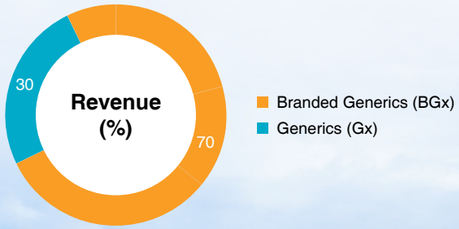
Torrent Pharma, the flagship Company of Torrent Group, is one of the leading pharma companies in the country. The Company is ranked among the leaders in the therapeutic segment of Cardiovascular (CV), Central Nervous System (CNS), Gastrointestinal (GI), Vitamins Minerals Nutrients (VMN), Anti-diabetes (AD), Pain, Gynaecology, and Dermatology.

Torrent Pharma possesses a competitive edge derived from its extensive domestic network encompassing R&D and manufacturing. Additionally, the Company benefits from a wide-ranging global presence, spanning over more than 40 countries.

Its four core markets, India, Brazil, Germany, and US constitute more than 85% of its total revenue. Torrent Pharma ranks among top 20 companies in these markets. The Company also has a leadership ranking in the rest of the world (ROW) markets, such as Philippines and Sri Lanka.

Optimal Business Mix

The Company's highly optimised portfolio ensures consistent financial returns, operating leverage, and capital efficiency.



The Corporate Philosophy

Torrent Pharma is driven by a simple yet powerful philosophy - **"Happiness for All"**, which is reflected in its commitment to providing world-class products and services to its customers.

Vision

To become the most respected pharma company

Mission

We commit ourselves to total customer care by delivering world-class products and services



The Principles Torrent Pharma Lives By

The Company's core values serve as the foundation and guiding principles, leading to longevity and success in the pharmaceutical industry.

Integrity

When truth is paramount

Thoughts and actions entail doing the right thing at all times and in all circumstances, whether or not anyone is watching. This requires inner courage and conviction, no matter what the consequences are. It is honouring one's commitments and being accountable for one's actions, end-to-end.

Passion for Excellence

When best is not enough

Passion for excellence means not doing extra-ordinary things but doing ordinary things in all pursuits exceedingly well. Passion and excellence are forces that fuel each other on the exclusive path to leadership. As we are what we repeatedly do, excellence then is not an act, but a habit.

Participative Decision-making

Involvement that engenders effectiveness

An ideal organisation facilitates participation and involvement of each of its members in various decision-making processes, thus ensuring their commitment to such decisions as well as its outcome. It provides a platform for seeking and nurturing constructive ideas from individuals, teams and units which eventually yields exceptional results.

Concern for Society and Environment

When every smile matters

Concern for Society and Environment is a sense of responsibility and contribution to society that defines our existence. It entails making a difference in the quality of lives and environment surrounding us. It is important to encourage fellow members on collective as well as individual basis to fulfil the responsibility of leaving behind a world rich in flora and fauna and rich in time-tested values and ideals and above all rich in social fervour for our future generations.

Fairness with Care

Harnessing equality

Fairness and Care towards all fellow members are inextricably linked. Weaving the threads of equality, irrespective of caste, creed, religion and gender, into the day-to-day fabric, ensures fairness for each and every individual. Empathic care recognises needs and aspirations of all. Only such fairness and care can eventually lead fellow members to the dawn of eternal success.

Transparency

Openness that builds enduring trust

Transparency implies openness. It is the opposite of secrecy. It encourages more informed decision making and aids in creating enduring trust among all stakeholders.

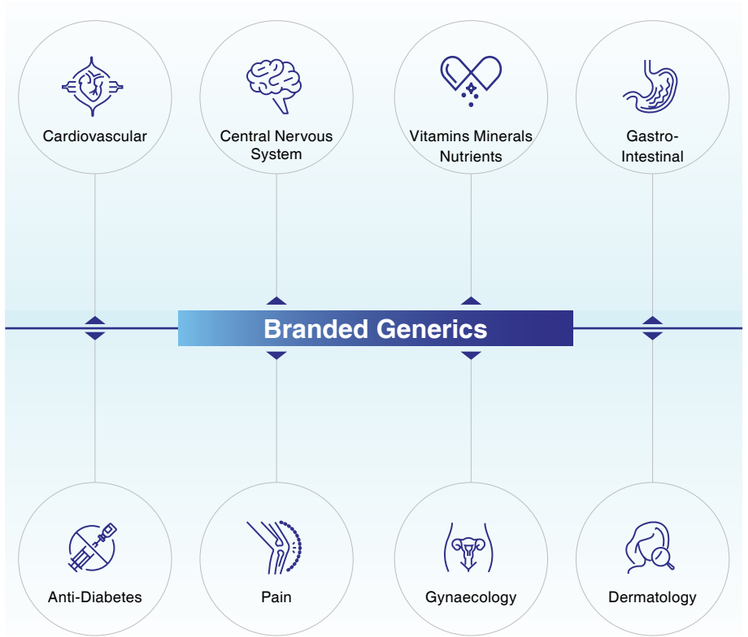
Core Strengths

Key Attributes That Sets it Apart

Torrent Pharma's unwavering commitment to delivering high-quality drugs in complex therapeutic areas has helped it establish a competitive position in the pharmaceutical industry. Through a focused approach on branded generics, chronic care, strategic acquisitions, high field force productivity, and investment in R&D, it has emerged as a leader in multiple therapeutic segments.

Branded Generic Focused with High Chronicity

The key distinguishing factor of Torrent Pharma is the high concentration of branded-generic portfolio combined with high chronicity. It ensures high prescription stickiness, yielding better predictability in revenue and profitability.



Higher Field Force Productivity: Edifice of Strong Brand Equity and Trust

At Torrent Pharma, the field force is the backbone of its sales strategy. The Company's chronic-focused portfolio and high customer retention rates have helped maintain a higher field force productivity than the industry average. Torrent Pharma has designed a therapeutic-focused back-end sales architecture, enabling them to emerge as specialists in their respective domains. They engage with medical practitioners and specialist doctors on a regular basis, cultivating stakeholder relationships based on knowledge sharing, scientific promotion and drug quality. Torrent Pharma has consistently deployed a specialist-focused strategy whereby its go-to-market approach is largely aimed at specialist doctors in metros and tier-I cities.

Strong R&D Capabilities

Torrent Pharma is committed to investing in R&D to bring innovative, high-quality drugs to patients around the world. The Company's state-of-the-art R&D facility in India is managed by a dedicated team that works on developing new drugs and improving the existing ones. The facility has a wide range of capabilities in areas such as preclinical development, clinical trials, and regulatory affairs.

Patent Filings

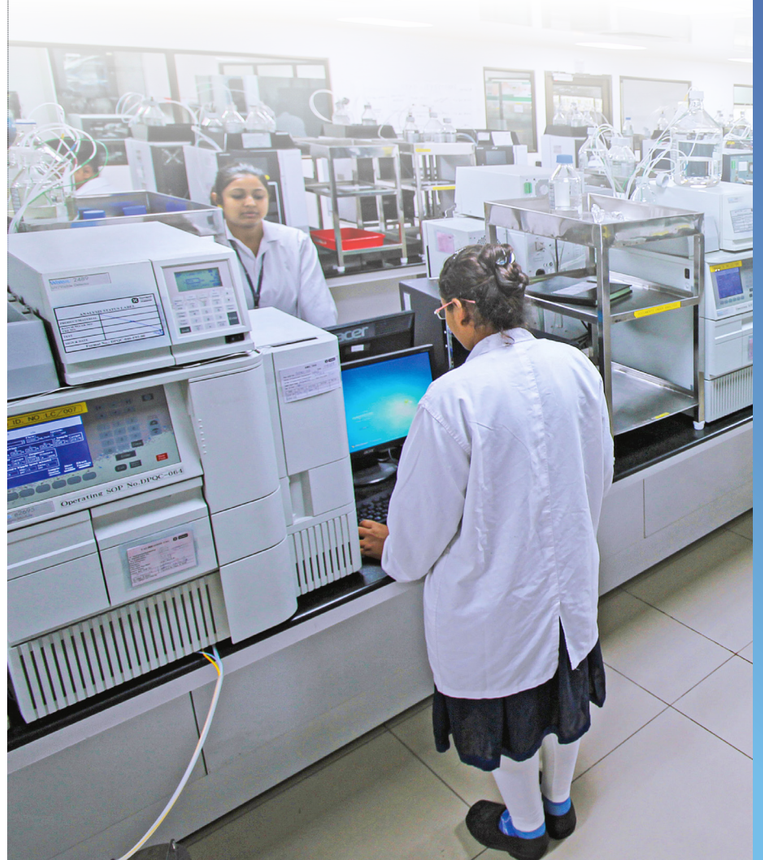
1,236

For New Drug Delivery Technologies and New Drug Discovery initiatives till date

Patents Approved

644

For new API and formulations techniques for various geographies till date



Strategic Acquisitions

Torrent Pharma demonstrates financial discipline and prudence in its acquisition process by rigorously assessing opportunities on three parameters, viz. strategic fitment, sustained growth of underlying market, and consistency of profitability and cash flows.

2005
Heumann Pharma from Pfizer

2014
Elder Pharmaceuticals Limited's India and Nepal Business

2015
Zyg Pharma Private Limited

2016
Glochem API facility

2017
Unichem's India and Nepal Business

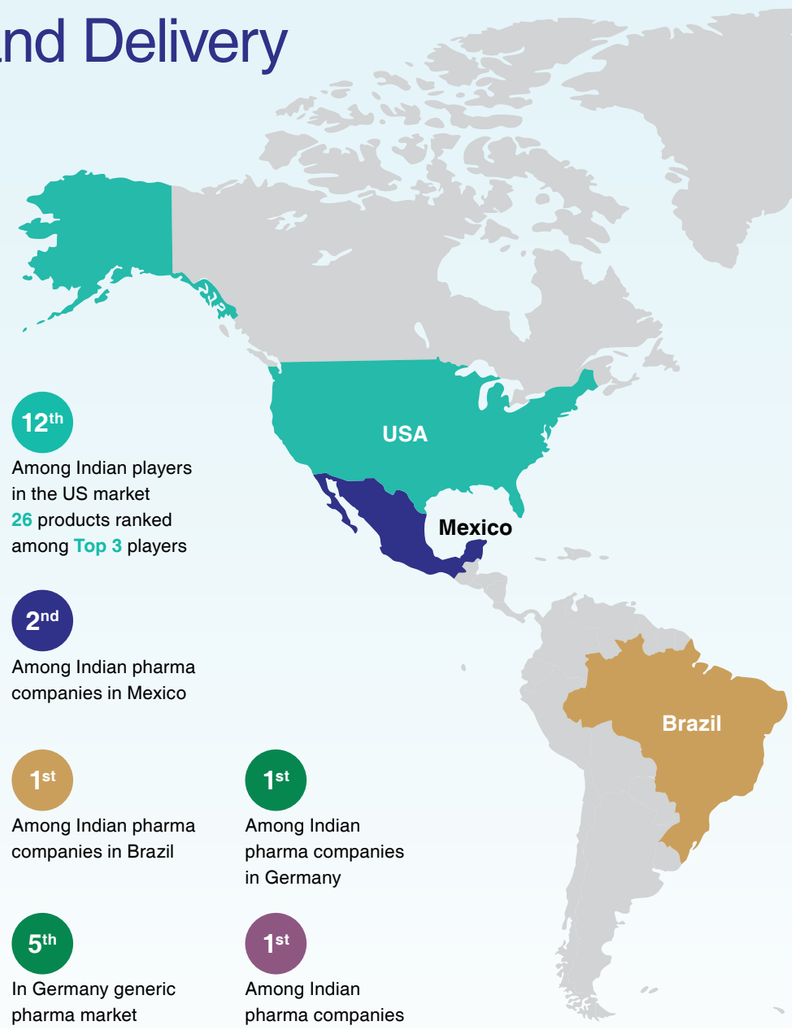
Novartis Women Healthcare Brands

2022
Curatio Health Care (I) Private Limited

Presence

Closer to Customers for Better Access and Delivery

Torrent Pharma has been consistently striving to enhance the accessibility and affordability of medicines to customers in its key markets. Towards this, the Company has been deploying continuous efforts to optimise its cost structure and time to market. Torrent Pharma has made strategic expansions to stay closer to customers, ensuring timely delivery of its products. Over the years, it has established a strong manufacturing base in India and a solid distribution, marketing and commercial presence across the world.



12th
Among Indian players in the US market **26** products ranked among **Top 3** players

2nd
Among Indian pharma companies in Mexico

1st
Among Indian pharma companies in Brazil

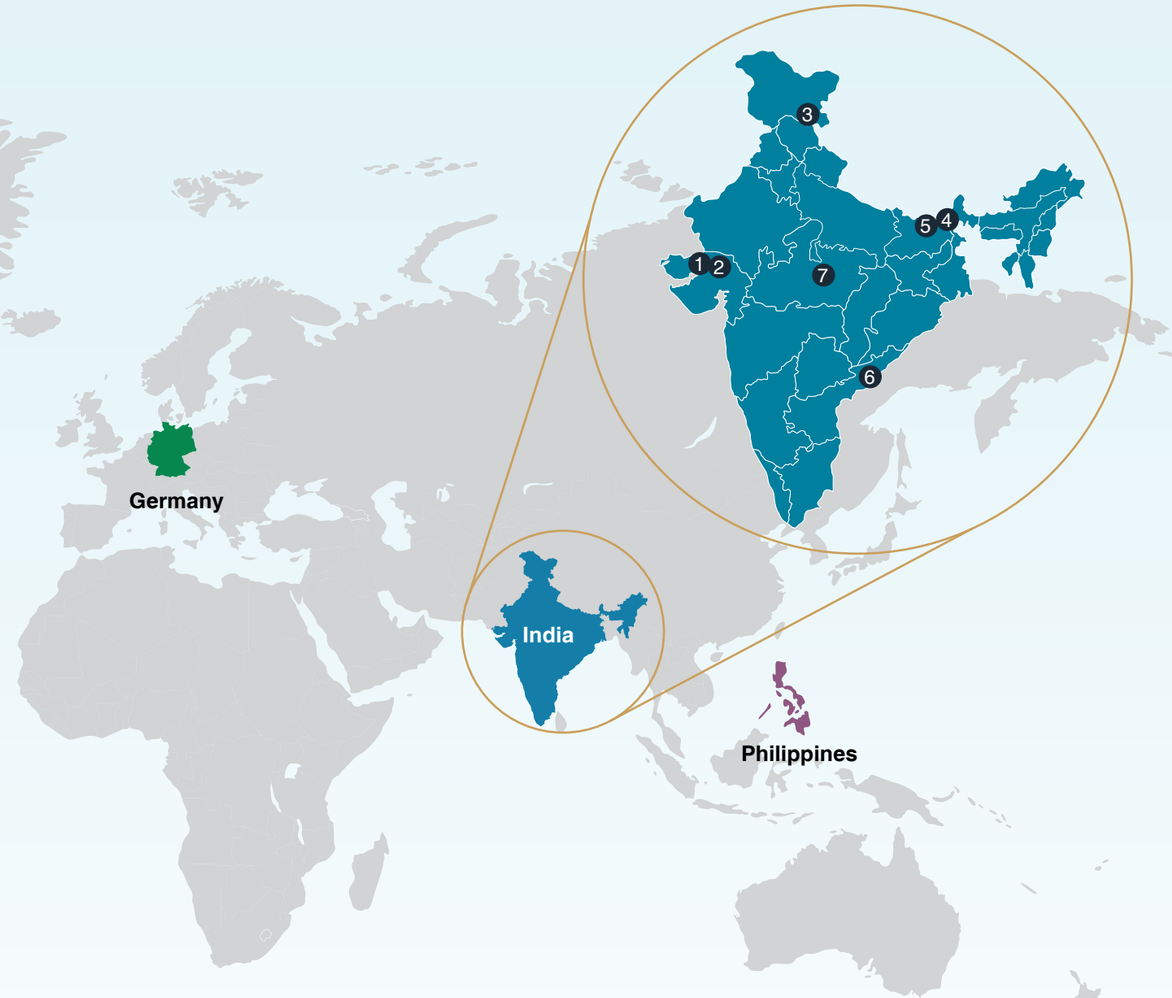
1st
Among Indian pharma companies in Germany

5th
In Germany generic pharma market

1st
Among Indian pharma companies in Philippines

6th
Among specialists in IPM

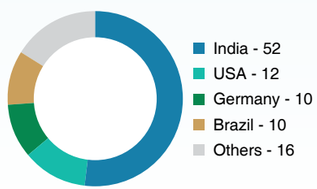
6th
In Indian Pharma Market



7
State-of-the-art manufacturing facilities across India

40+ Countries
Marketing presence

Region-wise Revenue Share (%)



Manufacturing Facilities

1. Indrad, Gujarat
2. Dahej, Gujarat
3. Baddi, Himachal Pradesh
4. Sikkim (Unit I and II)
5. Sikkim (III)
6. Vizag, Andhra Pradesh
7. Pithampur, Madhya Pradesh

Research and Development Facilities

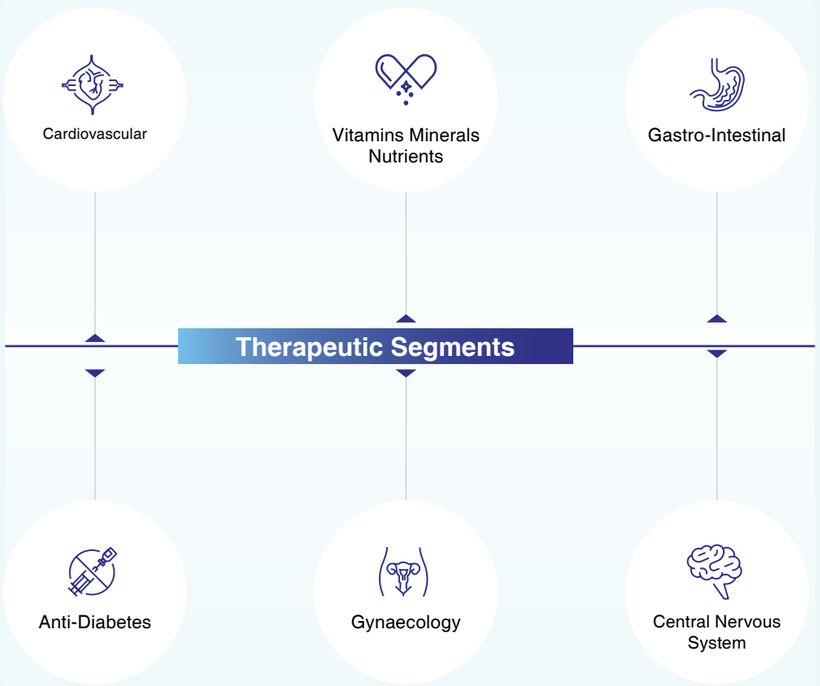
1. Bhat, Gujarat

Source: AIDCD Data, Insight Health (IMS) Data, Company data
Disclaimer: Map for representational purpose, not to be scaled

Key Product Portfolio

Developing Niche Solutions

Torrent Pharma has developed a portfolio with high chronicity and reputable brands. In India, Torrent Pharma has 13 brands over ₹100 crores and 18 brands in Top 500 brands of IPM. There are significant number of brands in the range of ₹75-100 crores and ₹50-75 crores, with potential for inclusion in the ₹100+ crore club over the medium term.



75%
of portfolio includes chronic and sub-chronic therapies

Building Leadership in Dermatology Through Curatio Acquisition

The recent acquisition of Curatio Health Care was a strategic move towards fortifying Torrent Pharma's leadership position in the fast-growing dermatology market and expanding its reach to dermatologists and paediatricians across the country. Curatio's acquisition fits well with the overall strategy of capital allocation to Branded Generic markets, particularly in India. The acquisition enables Torrent Pharma to improve its competitive ranking within Dermatology therapy from 21st to 7th post acquisition. Curatio is more of a specialised portfolio in paediatric dermatology and cosmetic dermatology. The base of the business is driven by strong brands focused on infant care and infant wellness treatment and led by the spearhead product brands named Tedibar, Atogla and Spoo.

Tedibar is prescribed for the treatment of atopic dermatitis by major paediatricians and dermatologists. And this is a segment that has an increasing prevalence across the country.

Key Brands

Pediatric Products	Acne/Face Care Products	Hair/ Scalp Care Products
TEDIBAR	Clinmiskin	Proanagen
Atogla	ACNEMOIST	Perlice
Spoo	TRACNIL	Permite
B4 Nappi	fash	NOSKURF

A Foot in the Door – Foraying into Gynaecology and Urology through Acquisition of Niche Brands

In its ongoing efforts to expand the product portfolio and build a presence in Gynaecology and Urology, Torrent Pharma acquired four brands from Dr. Reddy's Laboratories Ltd.

Styptovit-E

It will enable us to further strengthen our presence in Gynaecology therapy.

"Finast", "Finast-T", and **"Dynapress"**, which are used in the treatment of Benign Prostatic Hyperplasia (BPH), will aid in our presence in the Urology therapy.

Read more on pg 23

Key Product Portfolio

India Products



CHC Brands





Top Brands



New Launches



Brazil Products

Value Proposition

Unlocking Long-term Value for Shareholders

With a business model that is more focused towards branded generic markets and chronic portfolio, we have consistently delivered value to our shareholders over the years. Our strong fundamentals with prudent strategies enabled us to drive sustained growth and profitability, making Torrent Pharma an attractive investment opportunity.

1 Steady Revenue Growth

Torrent Pharma has delivered a compound annual growth rate (CAGR) of 10% and Operating EBITDA growth of 16% over the last five years. Even excluding US, the Company's revenue growth has been in double digits. The performance of top brands, new launches, market outperformance, and an increase in field force productivity has driven this steady growth.

Furthermore, Torrent Pharma's business model and capital-allocation strategy towards branded generic markets, coupled with high chronicity in its portfolio, provide strong predictability and steadiness in revenue growth.

10%
5-year CAGR in Revenue



2 Consistent Margin Improvement

Torrent Pharma has improved its operating EBITDA by ~7% over the last five years. Consistency in margin improvement augments from factors such as a higher share of the branded generic business, particularly in India, continuous cost optimisation initiatives, operating leverage play-out, and continuously improving in-clinic effectiveness, which is one of the highest in the industry.

16%
5-year CAGR in Operating EBITDA

30%
Operating EBITDA Margin

3 Outperforming in Major Therapies across Key Markets

Torrent Pharma has delivered robust performance across major therapies in its key markets, particularly in India, Brazil, and ROW markets. The performance of top brands, new launches, market outperformance, and an increase in field force coverage expansion has driven the growth.

4 Consistent Shareholder Value through Capital Efficiency

We have a track record of delivering consistent shareholder value. Over the years, our prudent capital allocation approach has resulted in robust free cash flow generation and a strong liquidity position. This allows us to capitalise on emerging investment opportunities while maintaining financial flexibility. Our long-term trend of solid performance in return on equity (ROE) and return on capital employed (ROCE) further reinforces our commitment to value maximisation.

ROE (%)
20%

2020-21	21
2021-22	18*
2022-23	20

ROCE (%)
22%

2020-21	19
2021-22	21*
2022-23	22

*Adjusted for exceptional items

Dividend Per Share (in ₹)
22

2020-21	35
2021-22**	48
2022-23$	22

** Includes special dividend of ₹15 per share
$ Post bonus

Executive Chairman's Message

Expanding Horizons Deepening Trust



"We achieved significant growth in our branded generics business in 2022-23, with India and Brazil leading the way, followed by the RoW."

SAMIR MEHTA
Executive Chairman

Dear Stakeholders,

I am proud to present Torrent Pharma's 50th Annual Report and 3rd Integrated Annual Report, illustrating our sustained efforts to deliver consistent value to our stakeholders over the past five decades. Despite the significant global challenges experienced in the past year, such as the Russia-Ukraine crises that exerted considerable cost pressures on the pharmaceutical industry, I am delighted to announce that the Company has achieved consistent growth across all major markets and growth indicators.

The global macroeconomic scenario has been challenging over the past two years due to the pandemic-induced contraction of the global output, which was further aggravated by the onset of the Russia-Ukraine war, creating an unprecedented humanitarian crisis and contributing to already-growing inflation across the world. Central banks have responded with synchronised policy rate hikes to curb inflation. Major economies, particularly in the South Asian region, faced economic stress due to a combination of weaker currencies, higher import prices, rising costs of living, and a stronger dollar, making debt servicing more expensive.

However, India has emerged as one of the most rapidly expanding major economies, demonstrating resilience and a robust recovery. The Indian economy has successfully rebounded in 2021-22, surpassing many other nations and positioning itself to return to its pre-pandemic growth trajectory in 2022-23. India has also grappled with the challenge of high inflation exacerbated by the European turmoil. However, global agencies consistently project India as the fastest-growing major economy, with growth rates estimated at 6.5-7.0% in 2022-23.

A year of Growth and Resilience

Amid a challenging environment, we delivered strong performance in 2022-23 with a Y-o-Y revenue growth of 13%. The growth was driven by the momentum of our new launches, the robust performance of top brands, and the strong contribution from the acquired portfolio. Our operating profitability has also improved by ~7% over the last five years due to our strong product portfolio, pricing pressure in the US and a sluggish German market, we remain optimistic about the future and our ability to drive sustainable growth.

Our India business has continued to grow, backed by our new launches, growth of top brands, increased field force productivity, and the acquired portfolio of Curatio Health Care (I) Private Limited ('Curatio'). The Brazil business witnessed a Y-o-Y growth of 26%, outperforming the industry growth, contributed largely by expanding CNS franchise and generics business. The rest of the world (RoW) markets continued their growth trajectory in double-digits. Germany's business witnessed sequential growth recovery from the second half of the year, backed by new tender wins and growth in non-tender segments.

Expanding Our Footprints Towards Sustainable Growth

To further strengthen our position, we are focusing on three key areas: capitalising on high-growth inorganic opportunities, accelerating our branded generics business, and remaining committed to our ESG priorities.

In 2022-23, we continued to pursue acquisitions to accelerate growth and further strengthen our market position. Our acquisition of Curatio, the niche player in Cosmetic Dermatology, marked a key milestone in our growth journey. We are excited to leverage Curatio's equity to expand our presence through concept selling and cosmetology-driven portfolios, in sync with Torrent Pharma's derma portfolio.

Moreover, we have also acquired four brands from Dr. Reddy's Laboratories, enabling us to expand our product portfolio and enter the fields of Gynaecology and Urology. We have partnered with Boehringer Ingelheim India Pvt. Ltd. to co-market three novel medications in India, strengthening our overall Diabetes and Cardiovascular portfolios.

16%
5-year CAGR in Operating EBITDA

We achieved significant growth in our branded generics business in 2022-23, with India and Brazil leading the way, followed by the RoW. Our growth is driven by a focused approach to product launches, consistent outperformance of market growth, building big brands, and improving in-clinic effectiveness.

During the year, we accelerated product launches in India, Brazil, and RoW markets, with most of these launches delivering high growth and becoming leading brands in their respective markets. In Brazil, we established a strong foothold by launching six products in the CNS, diabetic, and cardio segments. Among these products, Desvenlafaxine was the biggest successes, with market share in prescription rising to 9% in just 10 months.

Implementing Our ESG Roadmap

Torrent Pharma is committed to sustainability and responsible practices. We have set ambitious targets for reducing our greenhouse gas emissions and are constantly exploring new ways to reduce the impact of our operations on the environment. Towards this, we have been continuously diversifying our energy mix with cleaner fuels and renewable sources. We will also be identifying interventions to reduce our dependency on grid electricity. As a part of the ESG roadmap, we have invested in Hybrid Solar-Wind project to meet our captive power requirement and to reduce our carbon footprints significantly.

In addition to energy management and emission control, we also aim to conserve water through rainwater harvesting and reducing freshwater withdrawal through responsible consumption and various other initiatives. Further, we have prioritised achieving 100% non-hazardous recycling and zero waste to landfill sites.

Caring for the Community

Driven by our CSR philosophy of "Think of others when you think about yourself", we are committed to positively impacting people's lives through a range of projects. Our CSR initiatives are focused on three thrust areas, i.e., healthcare and hygiene, education, and social welfare. As part of our community healthcare and hygiene initiatives, we have established a dedicated hospital for children and adults where we provide free critical care services. We also organise various outreach programmes to address malnourishment and anaemia in children and promote awareness of women's health and sanitation.

Beyond healthcare, we are deeply invested in social development and education. Our employees actively participate in our social welfare programmes, which reflects our core values and commitment to caring for the community. From the very beginning, our CSR initiatives have been centred around improving the lives of people, and we remain steadfast in our efforts to create a positive impact on society.

Road Ahead

Moving forward, our strategic priority would be to consolidate and strengthen our position in branded generic markets while continuing to focus on integration of Curatio portfolio. For generic markets, our priority would be to continue to optimise our cost competitiveness and fortify the R&D pipeline through incremental filings and launches. Incremental cash generation shall be allocated toward de-leveraging of the balance sheet over the near to medium term. In addition, our investment in digital technology and implementation of our ESG roadmap shall further reflect our position as responsible corporate citizen.

On behalf of the Board of Directors, I would like to extend my gratitude to our employees and stakeholders for their trust and support, and we look forward to deepening these relationships as we work together to create value for all.

Regards,

SAMIR MEHTA
Executive Chairman

Board of Directors

The Visionary Minds Behind Our Success

At Torrent Pharma, the Board of Directors plays a crucial role in steering the Company towards growth and success. Comprising a diverse group of experienced leaders, the Board provides strategic direction, oversees key decisions, and ensures that the Company remains true to its core values.



SUDHIR MEHTA
Chairman Emeritus

Read More



SAMIR MEHTA
Executive Chairman

Read More



SHAILESH HARIBHAKTI
Independent Director

C C M M M*

Read More



HAIGREVE KHAITAN
Independent Director

C M C M

Read More



AMEERA SHAH
Independent Director

M M

Read More



NAYANTARA BALI
Independent Director

M M C M

Read More



DR. MAURICE CHAGNAUD
Independent Director

M M

Read More



MANISH CHOKSI
Independent Director

M

Read More



JINESH SHAH
Director (Operations)

M

Read More



AMAN MEHTA
Whole-time Director

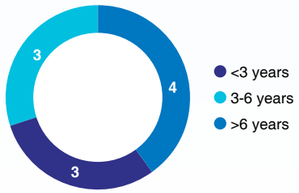
M#

Read More

- Audit Committee
- Risk Management Committee
- Securities Transfer and Stakeholders Relationship Committee
- Corporate Social Responsibility and Sustainability Committee
- Nomination and Remuneration Committee

(C) Chairperson (M) Member

Length of Tenure of Board of Directors



Skill/competence Matrix

Skill/competence	No. of Directors
Strategic leadership	10
Industry experience	6
Financial expertise	7
Governance, risks and compliance	10

*Stepped down w.e.f. 10th May, 2023
#Appointed w.e.f. 24th May, 2023

Leveraging Curatio's Brand Strength

13
Brands leader in the covered market

Top 10
Brands contribute 75% to the portfolio

600+
Medical representatives

900+
Distributors

84%
of its total revenue is from Cosmetic dermatology

Stories of Progress in 2022-23

Expanding Horizons through Inorganic Opportunities

Over the years, our inorganic growth strategy has been a key driver of sustainable growth and helped us to establish a strong foothold in some therapeutic areas. The year 2022-23 was a key milestone for Torrent Pharma as we pursued acquisitions to accelerate growth and further strengthen our market position in selected segments.

1 Tapping Opportunities in Dermatology Segment

In 2022-23, we acquired 100% stake of Curatio Health Care (I) Private Limited that positions us as one of the largest players in Cosmetic Dermatology. This acquisition will enable us to tap into high-growth opportunities in the Dermatology therapy and Cosmetic Dermatology segments.

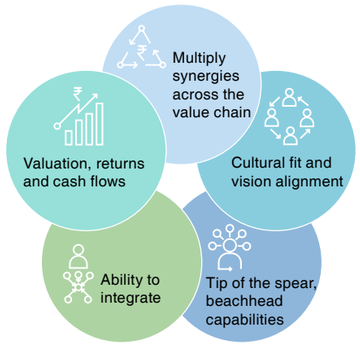
Leveraging Curatio's Brand Strength

Curatio portfolio includes over 50 brands in Dermatology therapy and 84% of the contribution is from Cosmetic dermatology.

Curatio's leading brands like Tedibar, Atogla, Spoo, Permite, and Perlice provide Torrent Pharma with a significant opportunity to further consolidate its position within the dermatological segment. Moreover, we can leverage Curatio's equity to expand its presence through concept selling and cosmetology-driven portfolios, in sync with Torrent Pharma's dermatology portfolio. Couple of Curatio brands also have potential to be taken to OTC.

Synergising Growth

Over the past decade, cosmetic dermatology has achieved a remarkable 16% CAGR i.e., 1.6x the Indian Pharmaceutical Market growth rate. Curatio has capitalised on this rapid growth, establishing a strong portfolio in the thriving dermatology segment. The acquisition enables Torrent Pharma to improve its ranking in the dermatology therapeutic space from 21st rank to 7th rank, with bell-weather positioning within the Cosmo-dermatology space. With little less than two quarters of integration during the year, Torrent Pharma has already started leveraging and realising these synergies and shall further continue to do so, with an objective to make acquisition EPS accretive over a reasonable period.



2 Bolstering our Position in Cardiovascular and Diabetes Care Segment

Through a strategic alliance with Boehringer Ingelheim India Private Limited, Torrent Pharma will co-market three novel medications in India:

- Cospiaq® (Empagliflozin)
- Cospiaq Met™ (Empagliflozin+ Metformin) and
- Xilingio® (Empagliflozin+ Linagliptin) in India

Empagliflozin is a novel sodium glucose co-transporter-2 (SGLT-2) useful for improving glycaemic control in adults with type-II diabetes mellitus. It also helps in reducing the risk of cardiovascular death, and hospitalisation for adults with heart failure.

Through this partnership, we aim to strengthen our overall Diabetes and Cardiovascular portfolios and bolster our position as a leading player in these high-growth segments within the Indian Pharmaceutical Market. These launches will improve patient access to innovative medicine in India and help address the unmet needs of patients.

3 Expanding our Portfolio by Entering Urology and Gynaecology Therapies

We have acquired four brands from Dr. Reddy's Laboratories, that will enable us to expand our product portfolio and enter the fields of Urology and consolidate our presence in the Gynecological therapy. We have taken over the manufacturing, distribution, and marketing of these brands in India. Acquisition of these brands enables us to build and fortify our presence in Urology and Gynaecology therapies.

One of the brands acquired is Styptovit-E, which is widely recognised in the field of Gynaecology that will help us further strengthen our presence in this therapeutic area.

Finast, Finast-T, and Dynapress are used to treat Benign Prostatic Hyperplasia (BPH), a common condition among aging men. These acquisitions have allowed us to establish a foray into the highly specialised field of Urology therapy.

BGx Highlights Across Markets

70%
BGx contributes of total revenue

16%
growth in BGx in India

26%
growth in BGx in Brazil

20%
growth in BGx in ROW



Accelerating Growth through Branded Generics

Torrent Pharma has achieved significant growth in its branded generics markets during the year, with India and Brazil leading the way, followed by rest of the world (RoW). Market share gains, top brand performance and successful product launches were key growth drivers. As we set our sights on the future, we focus on accelerating growth by strengthening our branded generics business.

Focus on Product Launches

Our growth in the branded generics segment is driven by a focused approach to product launches, consistent outperformance of market growth, building big brands and improving in-clinic effectiveness. During 2022-23, we have significantly accelerated product launches in India, Brazil and ROW markets. For India, most of these launches have delivered high growth and are one among the leading brands in their respective covered market.

India

During 2022-23, Torrent Pharma has launched 43 new products out of which 32 belong to the chronic segment, with the aim to expand our market share and deepen trust with customers. The new launch momentum has accelerated over last few years, which has been one of the key catalysts for market outperformance. Following have been some of the key launches during the year, juxtaposed with their competitive positioning in respective therapeutic segment.



Driving Market Share Growth and Innovation

In 2022-23, we experienced strong market share growth for our newly introduced products. Our market share among newly introduced (NI) products launched in the last 24 months reached approximately 7%. This achievement positions us as a leading player in the market, paving the way for future growth opportunities.

Our market share growth can be attributed to two key factors:

- **High Potential Molecules:** We have strategically focused on high potential molecules, including Sitagliptin, Brivaracetam, Vortioxetine, Perampanel, Vildagliptin, Dapagliflozin, Lactobacillus Rhamnosus GG, and Midodrine. These molecules have demonstrated strong demand and adoption, contributing to our incremental market share.
- **Innovative Product Offerings:** Our commitment to innovation is evident through products such as Repaglinide with Voglibose, Pregabalin with Duloxetine, and Bisoprolol with Telmisartan. These innovative offerings have garnered significant market acceptance and propelled our market share growth.

Torrent Pharma has established a leadership position within several therapeutic segments. Our products, including Sitagliptin, Apixaban, Repaglinide with Voglibose, Duloxetine with Pregabalin, Vortioxetine, Perampanel, Bempedoic Acid, Imeglimin, and Lactobacillus Rhamnosus GG, have consistently ranked as top generic players in their respective markets.

Going forward, our focus on new product launches will continue to be a key driver for market share expansion. By capitalising on high potential molecules and delivering innovative solutions, we are poised for continued success.



Brazil

In 2022-23, Brazil made significant strides in its growth trajectory by registering a growth of 14% in local currency and 26% in rupee terms. The performance was attributable to resilient market growth combined with the performance of new launches over the last 3 years. During the year, we launched six products in the CNS, diabetic, and cardio segments. Among these launches, Desvenlafaxine was the biggest success, with market share in prescription rising to 9% in just 10 months. With approximately 88% of the business coming from brands generating more than BRL20 million, Torrent Pharma has established a strong foothold in the Brazilian market.

Torrent Pharma continues to garner hegemony for most of its brands within its therapeutic-covered markets.

Our plan to enhance our coverage in the CNS and Cardio markets is on track to significantly expand our market coverage over the medium term. Expansion of market coverage shall be targeted through calibrated expansion in field force, continued expansion of product portfolio and steady improvement in in-clinic effectiveness. During 2022-23, we secured approvals for 17 products, with 14 more pending with ANVISA.

While the Generic segment has already been delivering high growth, we also plan to foray in to newer therapy in Brazil in the near to medium term.

We are also expanding our field force presence in Brazil to increase market coverage and support our new product launches. As of the end of the year, we have a field force of 300+ in Brazil, with ~40 new members added during the year. We have been actively making efforts to reach more doctors and have plans to double our team size and market coverage in the next five years specifically in the CNS and cardio segments across the country.

RoW

As a part of its capital allocation strategy, Torrent Pharma has been incrementally investing in Rest of the World markets with an objective to build one or more of these markets as growth engines over the long term. The markets comprise of 40+ countries, with key markets being the Philippines, Mexico, Russia, Malaysia, Sri Lanka and others. Torrent Pharma has successfully leveraged and implemented its growth strategies in India and Brazil for these countries to gain scale and competitive advantage.

Over the last few years, Torrent Pharma has significantly invested in building a product pipeline for these markets with filing of 120+ products each year. While the focus in most of these markets has been on to chronic-driven therapies, viz. Cardiovascular, Anti-diabetes and Central Nervous System (CNS), Torrent Pharma is also incrementally focusing on foraying into newer therapies in these markets.

Torrent Pharma focused effort in RoW around a few key strategic markets, coupled with incremental partnerships and distributorships in other markets, has helped the Company achieve steady growth and expand its global footprint. As Torrent Pharma continues to make investments in these markets, the Company is confident that it can replicate its success in India and Brazil and emerge as a major player in the branded generics market worldwide.

Over the last few years, Torrent Pharma has significantly invested in building a product pipeline for these markets with filing of 120+ products each year. While the focus in most of these markets has been on to chronic-driven therapies, viz. Cardiovascular, Anti-diabetes and Central Nervous System (CNS), Torrent Pharma is also incrementally focusing on foraying into newer therapies in these markets.



Strategic Approach to Strengthen Branded Generics Business

Torrent Pharma has implemented a comprehensive set of strategies across branded generic markets to enhance its presence and strengthen its competitive positioning. These strategies encompass various aspects aimed at expanding market reach and solidifying the Company's position within the industry.

Expanding Doctor Coverage

One of the key levers of strengthening our branded generic business, is expanding our doctor coverage. We aim to enhance our market share by reaching more specialists, especially in India and Brazil. In India, Torrent has been focusing on expanding its coverage of selective Consulting Physicians and General Practitioners, where consistent prescription generation trend is evident.

Field Force Expansion

Torrent Pharma is expanding its field force to support the growth of its branded generics business. The objective of field force expansion is to selectively expand doctors' coverage in terms of consulting physicians and general practitioners while also complementing new product launches. At the end of the year, our field force in India, including Curatio, was 5,500+.

5,500+

Field force strength in 2022-23, 4,200+ in 2021-22

In addition to our core markets, we have a presence in seven major markets where we have established our own subsidiaries, including the UK and Mexico. In Mexico, we currently have a team of nearly 50 sales representatives specialising in the CNS space. Moreover, we are developing a specialty presence in CNS, which has already shown promising results.

Sustainability Highlights

3.74%
Reduction in Scope 1 and Scope 2 Emissions in 2022-23 against 2021-22

6,100+
Manhours of Safety Training

170+
Internal Safety Audits Conducted

Stories of Progress in 2022-23

Contributing Sustainably for a Better Future

With focus on sustainability, Torrent Pharma has outlined a ESG roadmap through sustainable practices and responsible management of resources while also striving for a better future through shared value creation for all stakeholders.



Reducing Emissions and Energy Consumption

In line with our sustainability goals, we are committed to reducing carbon emissions and energy consumption. We have set targets and identified focus areas and KPIs to track our progress to that end.

To achieve these targets, we have developed action plans to utilise hybrid renewable sources such as solar and wind power, bio-briquettes, flash-steam systems, and heat pumps.

Water Stewardship

Under the water stewardship pillar, we aim to increase rainwater harvesting by 100% and reduce freshwater withdrawal by 30% by 2024-25.

To achieve our rainwater-harvesting target, we are utilising rooftops to harvest rainwater and prevent runoff, reducing groundwater dependence, and saving pumping costs. We have installed rooftop rainwater harvesting infrastructure where it was feasible, including at Indrad, Dahej, Bileshwarpura, Bhat, and Pithampur.

To achieve our freshwater-withdrawal target, we have expedited ongoing water audits to identify water use patterns, which are already done at Indrad, Bhat and Baddi.





Waste Management

Under waste management, we have achieved zero waste landfill at our different facilities including Sikkim, Pithampur, Vizag, and Indrad in 2022-23. The remaining sites are yet to be evaluated and necessary steps to be undertaken to make them zero waste to landfill sites.

In addition, we have also prioritised recycling non-hazardous waste for which we are identifying vendors and industries. Moreover, we have also been exploring new ways and partnerships to convert hazardous waste to energy through co-processing.

Our ESG roadmap demonstrates our commitment to sustainable practices and responsible management of our resources. We will continue to evaluate and improve our strategies and interventions to achieve our ESG targets and contribute to a better future.

Advancing Sustainable Practices for Stakeholder Well-being

Our sustainability efforts extend beyond responsible consumption and environmental sustainability. We have embraced a comprehensive approach that encompasses various sustainability practices to enhance the lives of our stakeholders. From upholding human rights and promoting employee well-being to ensuring workplace safety and making a positive impact on communities, we are committed to creating a sustainable future that prioritises the holistic well-being of all.

Upholding Human Rights

Our commitment to human rights is unwavering and we have a comprehensive Human Rights policy and strong grievance redressal mechanism to ensure the 100% redressal of any complaints related to human rights violations. We strive to create a workplace where human rights are respected and upheld through awareness campaigns, security vulnerability assessments and training our employees and security personnel on our Human Rights Policy.





Nurturing Employee Growth and Satisfaction

We prioritise employee development and satisfaction as essential drivers of our success. With a focus on gender diversity, we have set targets to increase women's representation in our workforce and management positions. Through campus hiring initiatives, specific recruitment strategies, and increased participation of women in field staff, we aim to create a more inclusive and diverse work environment. To ensure employee satisfaction, we have established appropriate grievance redressal mechanisms and conduct regular employee satisfaction surveys. Furthermore, we invest in employee training on ESG aspects to enhance their skills and knowledge in sustainability-related areas.

Ensuring a Safe Work Environment

Safety is our top priority, and we are dedicated to maintain an accident-free workplace. We strive to achieve safety management certifications for all our sites, implementing self-assessments and adhering to ISO 45001 standards. By improving our data management systems, adopting GRI definitions, and conducting awareness campaigns, we enhance our ability to prevent work-related injuries and illnesses. In addition, we review and strengthen our occupational exposure limits and conduct regular screenings for exposed employees. Our ultimate goal is to maintain zero fatalities and create a culture where safety is ingrained in every aspect of our operations.





Impacting Lives through Thoughtful CSR Activities

Our commitment to corporate social responsibility drives us to make a positive impact on the lives of communities. We conduct comprehensive community need assessments to identify specific areas of focus and develop action plans accordingly. By partnering with independent agencies, we assess the impact of our CSR programs and ensure their effectiveness. Employee volunteering is actively encouraged, and we strive for 100% employee participation. Through these initiatives, we aim to positively transform the lives of one million individuals, addressing their unique needs and contributing to sustainable development.

Aim to positively impact one million individuals through CSR initiatives

Shift to Responsible Product Portfolio

We are dedicated to transitioning to a responsible product portfolio that aligns with our sustainability goals. By training field employees on adverse drug reaction (ADR) reporting, we enhance our vigilance and ensure prompt identification and reporting of any adverse events. Our commitment to product quality and adherence helps us to aim for zero product recalls, ensuring that our products meet stringent specifications and comply with Good Manufacturing Practices (GMP). We also prioritise product authentication through QR codes and environmental lifecycle assessments, aiming to enhance transparency, traceability, and minimise our environmental footprint.

Enhancing Accessibility and Affordability of Medicines

We are committed to enhancing the affordability and accessibility of medicines for all individuals. Through R&D investments and the development of manufacturing capabilities, we aim to launch patent expiry products that cater to critical healthcare needs. We actively engage with chemists, expanding our presence in second and third-tier cities and rural areas to ensure wider access to our products. Collaborating with governments and public sector undertakings (PSUs), we participate in bids and tenders, aiming to secure a significant share of our revenues from these channels. Additionally, we establish partnerships with NGOs and INGOs to further extend our reach and support distribution programs, ensuring that essential medicines reach those who need them the most.



Integrated Thinking

A Holistic Value Creation Approach

Our value creation approach at Torrent Pharma is centred around integrated thinking, driven by our vision of becoming the most respected pharmaceutical Company. We recognise that creating sustainable value for stakeholders requires a robust governance framework and a commitment to sustainability.

How We Create Value

Operating Context

We analyse and understand the factors shaping our operating environment to align our strategies and leverage opportunities effectively.

Read more on pg 36

Stakeholder Engagement

Through inclusive stakeholder engagement, we gain insights, build trust, manage risks, and make informed decisions for long-term success.

Read more on pg 38

Materiality Assessment

Our materiality assessment identifies and prioritises key issues for stakeholders and integrates them into strategy and risk management.

Read more on pg 40

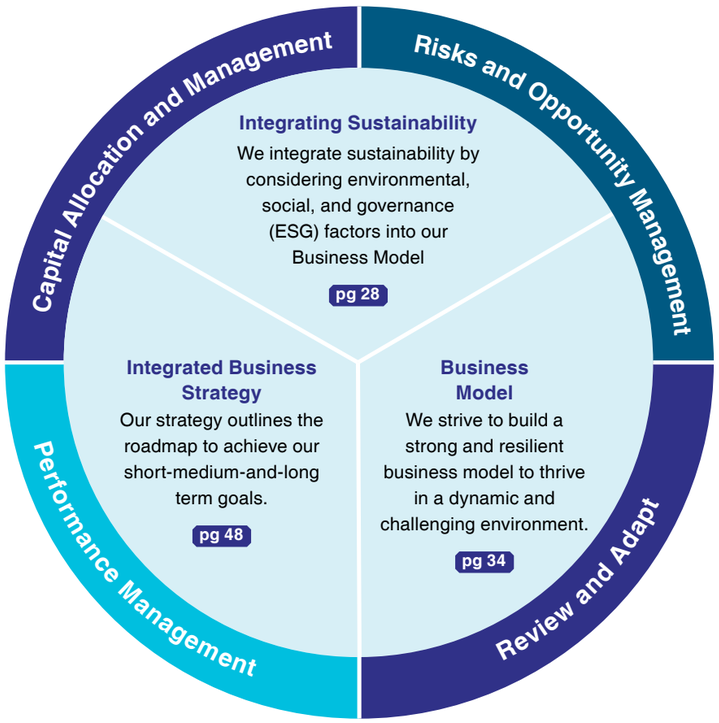
Risk Management

We continually assess risks and opportunities, and responding accordingly to create shared value.

Read more on pg 42

Governance

We have established a strong governance framework that ensures transparency, accountability, and ethical practices throughout our value creation process.



The Value We Create

Value Creation for Stakeholders

Patients
We strive to deliver accessible, affordable and high-quality medicines that improve patients' well-being and quality of life.

Suppliers
We maintain transparent communication and foster long-term partnerships with our suppliers for effective procurement and supply chain sustainability.

Healthcare Professionals
We engage healthcare professionals through collaborations, training, and resources to enhance patient outcomes and advance healthcare practices.

Government and Regulators
We comply with all applicable laws and regulations, maintaining a cooperative relationship with government authorities and regulators.

Employees
We foster a supportive and inclusive work environment, promoting growth, development, and well-being for our employees.

Industry Associations
We actively participate in industry associations to drive innovation, share best practices, and advocate for policies that benefit patients and the industry.

Investors and Shareholders
We aim to generate sustainable financial returns and ensure good governance practices.

Communities
We engage with communities, contributing to their social and economic development through responsible business practices and community initiatives.

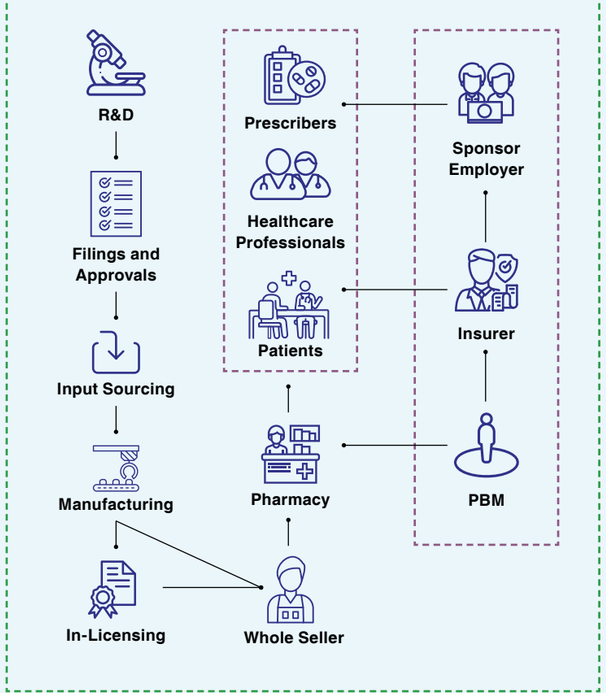
Channel Partners
We prioritise establishing strong, mutually beneficial relationships with our channel partners to ensure efficient distribution and availability of our products and services.

Business Model

Operating Context

Governance

Inputs		Value Creation Process	Outputs	Outcome	Stakeholders Impacted	UN SDGs Aligned
Financial Capital	Net Worth: **₹6,198 crores** Borrowings: **₹5,297 crores** Net Capex With Acquisition : **₹2,415 crores**	**Vision** To become the most respected pharma company **Mission** We commit ourselves to total customer care by delivering world-class products and services **Values** • Integrity • Passion for Excellence • Participative Decision Making • Concern for Society & Environment • Fairness with Care • Transparency **Materiality Assessment** Identifying and prioritising significant economic, environmental and social impacts and focusing on issues that matter most to our stakeholders.	Revenue: **₹9,620 crores** Operating EBITDA: **₹2,842 crores** ROE: **20%**	• Maximising shareholder value • Consistent growth trajectory		8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Manufacturing Capital	Manufacturing Units: **7** API Capacity: **90 MT** Dose Formulation Capacity: **2,500+ crores**		Products registered: **2,000+** Capacity Utilisation: **57%**	• Strong manufacturing capabilities • Competitive product portfolio		3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Intellectual Capital	Scientists: **790+** R&D Expenditure: **₹516 crores**		Filings: **226** Patents filed: **7** Projects pipeline: **90+**	• Innovated product development • Increased technological intervention		3 GOOD HEALTH AND WELL-BEING 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Human Capital	No. of Employees: **15,407** Training Manhours: **4.99+ lakhs**		Employees Upskilled: **66%** Fatalities and accidents: **Zero**	• Diverse and motivated workforce • Upskilled talent pool		3 GOOD HEALTH AND WELL-BEING 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH
Social and Relationship Capital	CSR and Social Donation: **₹42 Cr** Vendors: **7,300+** Stockists: **5,300+**		Children screened for malnourishment and anaemia: **44,800+**	• Enhanced stakeholder relationship • Positive impact on communities		4 QUALITY EDUCATION 10 REDUCED INEQUALITIES 17 PARTNERSHIPS FOR THE GOALS
Natural Capital	Energy Consumed: **801.95 TJ** Water Withdrawal: **1.046 mn m³**		Water recycled: **41%** Waste recycled: **64%**	• Robust environmental stewardship • Operational excellence with resource conservation		6 CLEAN WATER AND SANITATION 7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION



Risks and Opportunity Management

Operating Context

Keeping Tabs on Industry Trends

As the pharmaceutical industry continues to evolve, Torrent Pharma constantly stays up-to-date with industry trends and, accordingly, adapts its strategies. The Company is committed to finding innovative solutions to stay relevant and maximise opportunities while prudently managing risks.

Global Pharmaceutical Industry

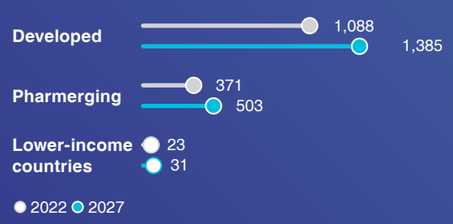
The global pharmaceutical market is expected to reach about $1.9 trillion in total market size by 2027, with growth rates between 3–6% CAGR. While developed countries will experience steady growth rates as losses of exclusivity (LOE) for original brands outweigh growth from new products, emerging markets will see stronger growth rates.

Growth in the developed economies continues at relatively steady rates, with new products offset by patent expirations. Latin America, Eastern Europe, and parts of Asia are expected to grow strongly from volume and adoption of novel medicines.

~$1.9 trillion

Market size the global pharmaceutical industry is likely to reach by 2027

Global Medicine Spending ($ bn)



Key Trends Influencing the Sector

- **Brand loss of exclusivity:** The sector is expected to face a considerable impact of $188 billion over the next five years due to loss of exclusivity (LOE) for various brands. However, this is partially offset by the cost savings associated with generics and biosimilars.
- **Pricing pressure:** Governments and payers, including health insurance companies, are exerting downward pressure on drug prices. In addition, patients are demanding greater transparency regarding the pricing of medications.
- **Complex generics:** The emergence of complex generics presents new opportunities to address unmet needs in the market and achieve differentiation among pharmaceutical products.
- **Pharma 4.0:** The integration of cyber-physical systems into pharmaceutical manufacturing, known as Pharma 4.0, is revolutionising the industry. This approach leverages real-time data and information to enhance productivity and streamline manufacturing processes.
- **Oncology trends:** The previous year witnessed remarkable advancements in novel cancer medicines that utilise immunology and precision biomarkers to revolutionise patient treatment options.
- **Chronic and sub-chronic therapies:** With the increasing prevalence of chronic diseases and lifestyle-related therapies, coupled with improved diagnosis, the demand for chronic and sub-chronic therapies is on the rise. This trend is largely driven by the aging population and its associated healthcare needs.

Read our response to market trends in Strategic Priorities and Risk Management section

Forecast by Key Regions

India

7.5-10.5%
CAGR in medicine spending in India is expected between 2023-27

The Indian pharmaceutical market is expected to maintain its upward trajectory through 2027, with spending likely to rise by 7.5-10.5% and reach $35-39 billion. Indian Pharmaceuticals Market may continue to be influenced by the growth trends of past years and is likely to accomplish a high single-digit or double-digit growth. The drivers for the latter include longer life expectancy, improved lifestyle, higher purchasing power, better health-insurance propositions and infrastructure, and digital and advanced analytics.

Bygone years, particularly the post-covid period, has witnessed consolidation of market and increased mergers and acquisitions (M&A) activities. Several leading Indian pharmaceutical companies acquired brands to consolidate their growth in 2022. M&A in the Indian Pharma space was essentially two-pronged: API/CDMO* space and branded-formulations space with focused therapy areas. Pharma companies are also revisiting their capital-allocation strategy, with relatively higher incremental allocation to India, resulting into intensified competition in the Indian Pharma space.

*(API: Active Pharmaceutical Ingredients, CDMO: Contract Development and Manufacturing Organisation)

Brazil

$55-77 bn
Spending forecasted by 2027

Brazil's pharmaceutical market is projected to grow at a steady pace of 9-12%, with forecasted spending of $57–77 billion by 2027. This growth can be attributed to the country's large BGx market, which is valued at $49 billion, as well as the fast-growing Gx market, currently estimated at $11.9 billion. However, despite the preference of physicians and patients for brands from reputable companies, there is an increasing demand for cheaper generic drugs, particularly in rural and remote areas.

Germany

4-7%
CAGR in medicine spending

In Germany, majority of the pharmaceutical market is comprised of tenders issued by different sickness funds and insurance companies, where tenders being issued are on either single-winner or three-winner models.

Over the medium term, the market is expected to grow at a CAGR of 4–7%, but the challenge of new entrants and the intensification of competition could result in pricing pressure.

US

Moderate Growth
anticipated over the course of the next five years

Pharmaceutical spending in the US is expected to have historically slow growth in the next five years, at - 1–2%, due to rising off-invoice discounts and rebates. Trends such as newer treatments, patent expiries, and generic or biosimilar competition will impact the US pharmaceutical market. Companies are diversifying their portfolio and moving towards specialty drugs, complex generics, biosimilars, and immune therapy.

Source: IQVIA 2023 Outlook Report, Industry Reports

Stakeholder Engagement

Meeting Stakeholder Needs for Sustainable Growth

Torrent Pharma's stakeholders range from providers of financial capital to local communities and are critical to the success and sustainability of the Company's entire value chain. To maximise value creation, Torrent Pharma prioritises stakeholder engagement and fosters transparent communication to strengthen its relationship with stakeholders and provide them with a clear understanding of the business activities and approach.

Stakeholder Identification

The Company places a strong emphasis on identifying and regularly evaluating the key stakeholders, as well as understanding what matters most to them and how they can influence Torrent Pharma. In addition, the Company evaluates its own ability to impact stakeholders through performance and operations. By doing so, it has identified the key stakeholder groups with whom the Company engages on an ongoing basis throughout the year.

Stakeholder Engagement Mechanism

Torrent Pharma formulates various engagement mechanisms to regularly engage with key stakeholder groups and receive feedback and suggestions from them. This open and transparent approach not only improves overall stakeholder relationships but also provides stakeholders with a clear view of the organisation's activities and business approach. Regular engagement is conducted through various modes of communication at need-based frequencies.

Stakeholder Groups	Their Relevance	Mode of Engagement	Capital Linkage
Patients	Patients are the ultimate customers of Torrent Pharma's products. Success of the organisation is thus heavily dependent on meeting their expectations in terms of timely delivery of quality products at an affordable price range.	• Website • Clinical studies • Pharmacovigilance	
Channel Partners	Play an important role in the distribution of products across the globe and ensure accessibility of products to patients.	• Meetings • Field visits • Digital communication	
Suppliers	Providers of API, other input materials, finished products, and critical services help ensure continuity of business operations.	• Meetings • Visits • Supplier audit • Facility visits	
Healthcare Professionals	Healthcare professionals support in understanding the needs of patients and represent the brand to the customers.	• Meetings • Conferences • Seminars • Field visits • CME events	
Government and Regulators	Policies and regulatory changes impact operations as well as provide opportunities. Strict compliance with the laws and regulations together with ethical business conduct is crucial for business viability.	• Meetings • Conferences • Facility visits • Official communications • Statutory publications	
Industry Associations	Regular engagements with industry associations help raise awareness about the Company's contributions to society and the economy. It also provides a forum for public policy advocacy.	• Industry Conferences • Representations on policy matters	
Investors and Shareholders	Provides financial capital as well as help maintain oversight over the organisation's activities and good governance practices.	• Earnings call • Meetings • Investor conferences • AGM • Website	
Communities	Provides social license to operate. The Company strives to create a positive impact on the local Communities where it operates	• Interactions through CSR initiatives	
Employees	Employees are an essential pillar that contributes to the organisation's success. Torrent Pharma follows a people-first approach and focuses on individual growth that will ultimately contribute to the growth of the organisation.	• Senior management interactions • HR Communications • Engagement Programmes	

Financial Capital | Manufactured Capital | Social and Relationship Capital | Human Capital | Intellectual Capital | Natural Capital

Materiality Assessment

Mapping Priorities for Staying Future-ready

Identifying and addressing material issues is crucial for reflecting the economic, environmental and social impacts of an organisation, as well as influencing stakeholders' decisions. Thus, Torrent Pharma prioritises the issues that are most material to the Company to achieve sustainable value creation.

Approach to Materiality Assessment

A thorough materiality assessment was carried out by Torrent Pharma, which involved soliciting opinions and insights from all stakeholders. The assessment aimed to evaluate the significance of environmental, social, governance, and economic issues that are crucial for the organisation's long-term viability and sustainability. By conducting this evaluation, the Company was able to identify and prioritise the most important issues for the sustainability of its business and value creation.

The following highlights Torrent Pharma's approach towards conducting the materiality assessment process.

Universe of Material Issues
Desk review of global and sectoral issues (such as UN SDGs) along with core business priorities

Stakeholder Analysis
Stakeholder Identification and prioritisation

Stakeholder Engagement
Interviews with senior management and virtual inputs from all stakeholders using survey

Materiality Matrix
Comprehensive analysis to arrive at Materiality Matrix

Materiality Matrix

The materiality matrix presented below is the result of the Company's periodic materiality assessment. Torrent Pharma has combined inputs from Senior Management interviews and a materiality survey to develop this list. This exercise helped the Company identify high-priority material issues that are significant to its stakeholders and have the potential to significantly impact or influence the Company. These material issues have been integrated into the overall strategic framework and prioritised to deliver long-term value to the stakeholders.



High Priority Material Issues

Economic	Environment	Social	Governance
Materials Issues M1 M2	Materials Issues M3 M4	Materials Issues M5 M6	Materials Issues M7 M8
Capitals Impacted	Capital Impacted	Capitals Impacted	Capitals Impacted
UN SDGs Impacted	UN SDGs Impacted	UN SDGs Impacted	UN SDGs Impacted

- Medium to high priority material issues
- Medium priority material issues

Risk Management

Mitigating Risks with Prudence

Torrent Pharma takes a proactive approach to identify potential risk and respond prudently with appropriate risk mitigation plans to deliver consistent value to stakeholders. Over time, the Company's risk management perspective has evolved into an integrated and continuous approach, resulting in the implementation of an Enterprise Risk Management (ERM) framework

This framework has become an integral part of the Company's strategy for enhancing stakeholder value and is embedded in the governance and decision-making processes. Through its risk-management process, Torrent Pharma proactively monitors potential risks surrounding the business and implements effective measures to mitigate their impact. Additionally, the risk management exercise provides a basis for management to make sound decisions.



Risk Management Process

The Company engages in regular discussions with functional heads to assess and deliberate on potential risks and opportunities that may arise from market forces political, economic, regulatory, and technological and environmental changes. Each functional head is tasked with identifying potential risks in their area of operation and presenting mitigation strategies to management for consideration.

A comprehensive "risk register" is continuously updated to capture new risks, assess their likelihood of occurrence, and determine their possible impacts resulting from changes in both the internal and external environment.

ERM Framework

Business activities inherently involve risk-taking. To that end, an integrated risk-management framework is necessary to identify, monitor, and minimise the adverse impact of risks across business operations consistently, collaboratively, and comprehensively. The risk appetite is determined by the level of risk deemed acceptable to achieve its business objectives. Risks are broadly categorised as strategic, operational, financial, and compliance based on their nature.

Communication and training being essential components of the framework.

The Enterprise Risk Management (ERM) framework is implemented through a Risk Management Committee that includes risk owners across the Company, including functional heads, subsidiaries, and manufacturing facilities. The ERM framework is integrated into the Company's Strategy and Performance to ensure that they are embedded in the organisation's decision-making processes.

Risk Governance and Reporting

The Board of Directors oversees risk governance at Torrent Pharma through the Risk Management Committee (RMC), which operates directly under the Board. The RMC is responsible for reviewing and enhancing the Company's risk-management policies and processes. It also evaluates potential risks faced by the Company and monitors the progress of mitigation plans. The Chief Risk Officer (CRO) leads the ERM team, which reports directly to the Board on the implementation of mitigation strategies and their impacts. To drive effective enterprise risk management, Torrent Pharma has adopted a bottom-up and top-down approach.

ERM Framework Aligned with COSO Framework

Although risk assessment is a continuous exercise, Torrent Pharma has underwent an independent and thorough review of its Enterprise Risk Management (ERM) framework under the guidance of the Committee of Sponsoring Organisation (COSO) framework. The review consisted of the following:

Alignment of Risk Management Policy with COSO Framework

Revisiting Risk Appetite

Risk profiling based on discussion with key stakeholders (including updating the risk register and including newly identified risks)

Peer benchmarking: Comparison with industry and external global factors

Risk assessment (including prioritisation) based on inherent and residual criteria.

Consolidating the outcome in form of 'Risk Register'

Torrent Pharma was able to align its risk-management practices with the contemporary COSO framework. However, the Company's risk profile did not undergo any significant changes.

Enterprise Risk Management

Risk	Mitigation Strategies		Strategic Theme Linked	Materials Issues Impacted	Capitals Deployed
1. Competition Risks The Company faces challenges in driving market share improvements due to intense competition and the threat of new entrants in its key markets and therapies. This increased competition also puts pressure on costs and margins.	**Branded Generics Markets** • Adopting a specialty-driven approach and building big brands to increase prescription stickiness. • Offering innovative products in diverse dosage forms and fixed dosage combinations to cater to the evolving needs of patients. • Differentiating Torrent Pharma's products through scientific promotion, delivery of quality products, and competitive pricing. • Implementing a therapeutic focus sales structure with low attrition to ensure concentrated sales efforts, high in-clinic effectiveness, and improved brand equity.	**Generic Generics Markets** • Ensuring a robust and agile supply chain and manufacturing infrastructure to ensure supply continuity. • Incremental investment in R&D on complex drugs, diversified dosage forms, and value-added generics to optimise the portfolio. • Continuously optimising cost structures and manufacturing productivity to stay competitive on pricing while sustaining margins.	ST1 ST2	M1 M2	
2. Commoditisation Risks The regulators across the markets are encouraging the use of generic products through various initiatives. This may impact Torrent Pharma's future business	• Continuous monitoring of regulatory landscape and being proactive to drive business model changes, as and when necessitated.	• Diversifying business portfolio by foraying into Trade Generics segment, ensuring that it remains mutually exclusive to existing BGx segment.	ST1	M1 M2	
3. Pricing Control Risks Regulatory agency of various markets, particularly BGx markets, regulating prices by capping the drug prices or defining a ceiling for price increase. For example, the Government of India regulating the drug prices through expansion of National List of Essential Medicines.	Price regulation is a systemic one, the impact of which is mitigated through continuous portfolio optimisation and various cost initiatives to sustain margins. In India, Torrent Pharma has only 8% of its total portfolio under price control versus 19% for the industry.	• The recent revision of NLEM (National List of Essential Medicines) list had minimal impact on Company's portfolio under price control.	ST1	M1 M2	
4. R&D Risks Challenges and uncertainties are inherent in innovation and development of new and improved products and technologies on which its continued growth and success depend. These include uncertainty of clinical outcomes, additional analysis of existing clinical data, obtaining regulatory approvals, health plan coverage and customer access and initial and continued commercial success	Torrent Pharma manages the risks related to the launch of new products and their regulatory approvals through careful market research for selection of new products, detailed project planning and continuous monitoring. 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 NCEs for India.	• The Company is also evaluating the feasibility of extending the market outside India where it has a reasonable understanding of the branded products space. It's R&D activities are complemented with insurance programs suited to nature and propensity of risk.	ST1 ST2 ST3	M2	
5. Compliance Risks The Company operates in different geographies, each having its own regulatory landscape, which continuously evolves, changes, and undergoes increased scrutiny from the regulators. Any non-compliance with regulations or scrutiny process can result in dilution of financial position or jeopardise Torrent Pharma's reputation.	Regulatory risks are managed through a strong governance mechanism based on the philosophy of 'zero tolerance to noncompliance'. This is implemented through: • Assessment of regulatory and compliance requirements on regular basis. • Robust internal controls.	• Compliance management systems and continuous monitoring. • Internal communication and training on various requirements of laws, regulations, including ethics standards and compliance systems. • Independent assessments and audits. • Monitoring of legal and regulatory compliance by senior management and the Board.	ST1 ST2 ST3	M7 M8	

Risk Management



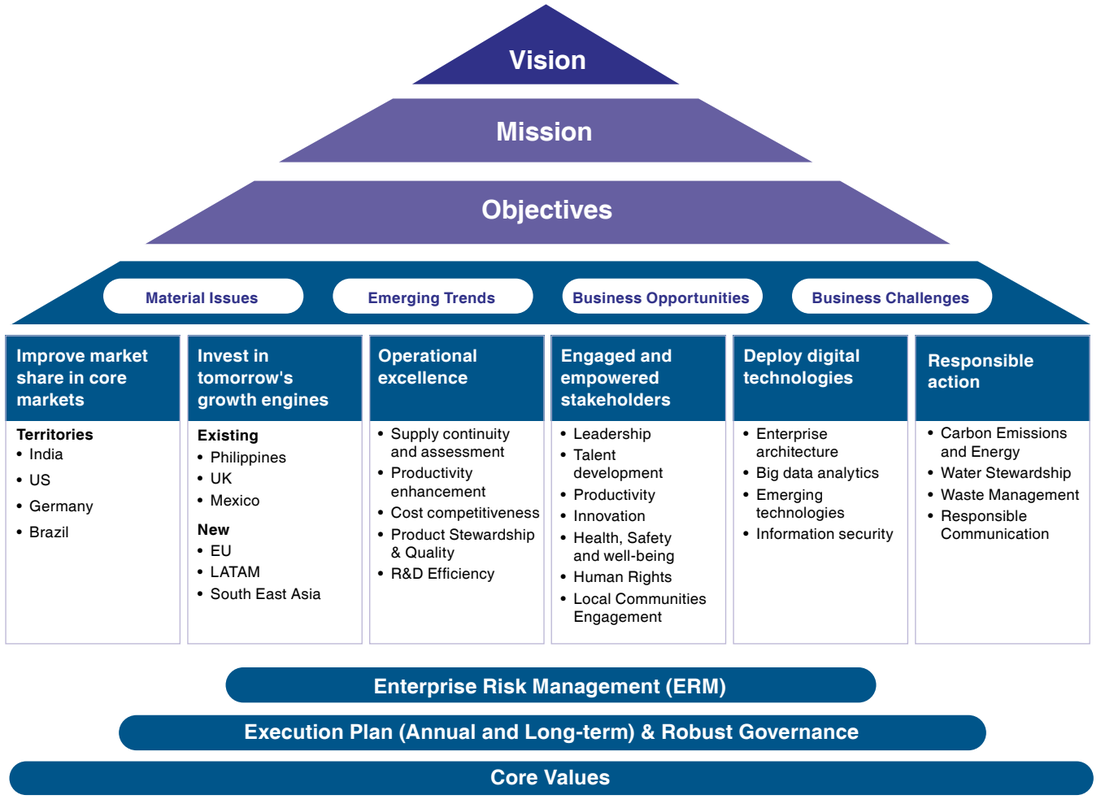
Risk	Mitigation Strategies		Strategic Theme Linked	Materials Issues Impacted	Capitals Deployed
6. Quality and Product Liability Risks Quality risk entails failure to comply with GxP (Good Laboratory Practices, Good Manufacturing Practices and Good Clinical Practices). Product liability risk stems from concerns on product efficacy or safety, potentially resulting in product withdrawals, recalls, regulatory action on the part of the United States Food and Drug Administration (or international counterparts), declining sales, reputational damage, increased litigation and increased litigation expenses.	• 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 systems. • Audits by Quality Assurance department for high quality products	• Robust Pharmacovigilance function responsible for monitoring and managing the safety of all the products throughout the product lifecycle. • A comprehensive approach ensures redressal of drug safety related complaints over products have favourable risk benefit profile. • Adequate insurance cover for clinical and product liability.	ST1 ST3	M1 M8	
7. Risk of Operating in Overseas Markets The Company's presence in different overseas territories and markets exposes it to geo-political, economic and currency fluctuation risks, which can potentially impact earnings, cash flows, or net equity.	Geo-political or economic or regulatory risks are mitigated through due diligence at the time of new investments in any market. These risks are continuously assessed through management oversight and appropriate investment, or divestment decisions are taken, wherever necessary.	• In order to mitigate impact of currency fluctuations, Foreign Exchange Risk Management policy is developed and currency exposures are hedged through long-term derivative instruments.	ST1 ST2	M1	
8. Business Continuity Risk Potential risks posed by geopolitical instability and supply chain disruptions	• Strategically diversifying the supplier base • Alternative sourcing strategies • Maintaining appropriate inventory levels and buffer stocks		ST1 ST2 ST3	M1 M2	
9. Environmental, Social and Governance Risks Organisation must sustain growth in a continuously evolving global eco-system with unpredicted externalities. They can be challenged, if they do not aim for holistically enhancing stakeholders' value, including striving to mitigate risks associated with environmental and climate change. Sustainable value creation can no longer be ESG-risk agnostic, which has now evolved as new yardstick in addition to profitability and capital efficiency returns.	Torrent Pharma has embarked on a structured process to better understand and manage evolving ESG risks. This includes adopting a structured ESG framework and strategy, based on international standards and structures such as GRI, SASB, UN SDGs and many others.	• The Company has designed a multi-fold strategy, with four core ESG pillars, i.e., Responsible Consumption, Responsible Practices, Responsible Communication and Responsible Supply Chain, that will enable it to navigate the growth in a manner that maximises stakeholders' value, consistently and sustainably. • It has also instituted suitable governance processes to monitor progression and mitigation of ESG risks on regular basis.	ST3 ST4 ST6	M3 M4 M5 M6	
10. Information Technology Risks Risk of loss or disclosure of trade secrets, confidential or proprietary information to competitors or to unauthorised sources including external attacks on the Company's IT network.	• Complete IT framework on Information security policy will be made available. • The data in the network/on the servers are guarded by access control at domain level. Any unauthorised access is restricted. The administrator privileges are restricted and is not provided to end users. Systems are adequately secured to constrain the access and use of data.	• Vulnerability assessment and penetration testing performed yearly. • E-mails are decently protected as they have all the seeds related to O-365. Microsoft filters also exists. Encryption is installed on all the laptops. • IT Roadmap study.	ST5	M7 M8	

Financial Capital · Manufactured Capital · Social and Relationship Capital · Human Capital · Intellectual Capital · Natural Capital

Strategic Priorities

Responsible Growth for Long-term Value Creation

At Torrent Pharma, the aim is to achieve sustainable business growth and create long-lasting value for the stakeholders. To achieve this, the Company has developed an integrated strategic framework that not only supports the business objectives but also addresses the Company's responsibilities towards the environment and society. The comprehensive framework is based on six strategic pillars, each with focus areas to help effectively implement and enhance Torrent Pharma's sustainability efforts.



Overview of Strategic Themes

Strategic Themes	Focus Areas	KPIs	Capitals Deployed
ST1 **Improve market share in core markets**	• India Business • US Business • Germany Business • Brazil Business	• Market share • Launches/Filings • Productivity • R&D Spend	
ST2 **Create sustainable and profitable growth by investing in new markets to develop them as tomorrow's growth engines**	• Achieve scale in emerging markets by leveraging learning curve of BGx markets and new launches • Invest in new emerging markets by leveraging current pipeline and throughout-licensing	• Revenue growth • New markets • New launches • Collaborations	
ST3 **Drive operational excellence through focus on quality, productivity and cost competitiveness**	• Supply continuity and assessment • Productivity enhancement • Cost competitiveness • Quality • R&D Efficiency	• Monitoring quality matrix • Product/Customer complaint • Per unit cost	
ST4 **Build engaged and empowered workforce with focus on leadership innovation and productivity**	• Leadership • Talent development • Productivity • Innovation • Safety and well-being	• Leadership pipeline • Productivity metrics across R&D, Operations and Sales	
ST5 **Deploy digital technologies to drive business model improvements**	• Enterprise architecture • Big data analytics • Emerging technologies • Information security	• IT spend • IT strategy roadmap	
ST6 **Enhance responsible actions by integrated sustainability across business operations**	• Carbon Emissions and Energy • Water Stewardship • Waste Management • Responsible Communication	• GHG emissions (Scope 1 and Scope 2) • Water withdrawal • Waste recycled • No. of Internal newsletter • No. of External disclosures	

Strategic Priorities

ST1 Improve market share in core markets

Capitals Deployed

India Business

Overview

Around 85% of the Company's revenue comes from four core markets, viz. India, United States, Germany, and Brazil. India continues to be the largest market, contributing around 52% of revenue.

Torrent Pharma's business mix—about 70% BGx and 30% Gx—is highly optimised, as it balances consistent financial returns while accounting for operating leverage and cost competitiveness.

Outlook

Over near to medium term, IPM is poised for double-digit growth in the backdrop of growth enablers, such as:

- Increase in healthcare spending by the government
- Positive growth in the hospital and diagnostics sector
- Accelerated health-insurance penetration at a rate of over 20%
- Rise in aging population and per capita income as well as changing lifestyle patterns

Trends, Opportunities and Challenges

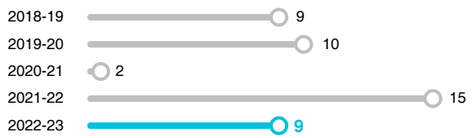
- The Indian pharmaceutical market (IPM) which is valued at over $23 billion continues to grow at 9%
- IPM has been one of the fastest growing markets, owing to its demographics and unmet medical needs, under-penetrated health insurance markets, and people's changing lifestyle
- It witnessed increase in competitive intensity and 2022-23 witnessed increased M&A activities within IPM.

Focus Areas

- **Specialty focus:** Increasing prescription share and building bigger brands through specialised efforts.
- **New product offerings:** New introductions, particularly in the space of NDDS, FDC and line extensions to capitalise on expiring patents in chronic treatments.
- **Market share gain:** Maintaining competitive position in key therapy areas (CVS, CNS, GI, and VMN) and establish presence in where Torrent Pharma's market share is relatively low.
- **Field-force expansion and productivity:** Expanding field force to increase prescription base and reach, while maintaining current productivity levels in medium-term basis with focus on specific regions with high prescription rates for Torrent's brands.
- **Trade generics:** Expanding the trade-generic market with a portfolio that does not overlap with branded generics.
- **M&A Integration:** Integrating Curatio portfolio to drive revenue and margin synergies.

KPIs: 1. Market share 2. New launches 3. PCPM 4. Inorganic growth

IPM Growth Trend (in %)



During 2022-23, Torrent Pharma acquired Curatio to strengthen its derma portfolio

Performance Highlights*

6th In IPM	**6th** Among Specialists	**2nd** In Cardiac Market
4th In GI Market	**3rd** In CNS	**4th** In VMN
75% Chronic and Sub-Chronic	**18** Brands Among Top 500 Brands	**13** Mother Brands more than ₹100 crores

*Source: AIOCD data, Company data

US Business

Overview

Torrent Pharma is ranked 12th among Indian companies operating in the US generic market, with around 10.5% share.

- US FDA inspection of Indrad: OAI(official action indicated)
- US FDA inspected Dahej facility in May 2023 , issued Form 483 with 2 observations, none of these observations were related to data integrity and there were no repeat observation
- New products approval on hold

Outlook

- With the highest per-capita spending on pharmaceuticals in the world, the US pharmaceutical market is expected to grow at the rate of -1 to 2% between 2023 to 2027.
- Growing incidence of chronic diseases, faster approval of generic drugs, and loss of exclusivity provided opportunity to scale up in the US markets
- The US FDA continues to support the generic drugs industry by issuing guidance for bringing complex generics to market. It is also granting incentives, such as exclusivity and competitive generic therapy, for first generic entrants.

Trends, Opportunities and Challenges

- US FDA approvals have been increasing over the last 5 years, particularly after Generic Drug User Fee Amendment (GDUFA) I and II guidelines, leading to intensification of competition
- Price erosion continues in high single-digit by virtue of buyers' consolidation and new entrants
- US FDA inspection: Negative action for most of the companies impeding new approvals and launches
- Companies are gradually diversifying their portfolio and moving up the curve, in terms of specialty drugs, complex generics, biosimilars, and immune therapy
- Brand loss of exclusivity, including biosimilars, is likely to reduce generic spending

Focus Areas

- **Quality focus:** Torrent Pharma has invested significantly in upgrading its quality systems at its facilities around the world. The goal is to remain in full compliance with current and future expectations of the most demanding regulators in the world.
- **Base business growth:** Growing base business through market share gain in existing molecules and optimisation of product mix.
- **Profitability and cost competitiveness:** With increasing price erosion, profitability of base business gets impacted. To make it profitable, Torrent Pharma optimises its product portfolio and continuously take initiatives to reduce cost.
- **Optimising US capital efficiency:** Torrent Pharma has no current plans to invest or allocate any sizeable capital to US.

KPIs: 1. US FDA clearance of facilities 2. ANDA filings 3. Product launches 4. Market share 5. Implementation of Cost optimisation measures

Performance Highlights*

12th Among Indian Players in US Market	**6th** Products Ranked Amongst Top 3 Players	**2nd** ANDA* Filed During the year
46 ANDA Pending Approval	**10.5%** Market Share In Covered Market	

*ANDA-Abbreviated New Drug Application



Strategic Priorities

Germany Business

Overview

Torrent Pharma's presence in Germany began with the acquisition of Heumann Pharma from Pfizer in 2005.

The Company is now the 5th largest generics player in German market, with a 5.4% market share.

It also has licensing arrangements in the market with several other manufacturers who have a low-cost base.

Outlook

- The market is expected to grow at CAGR of 4–7% over the medium term.
- Intensification of competition and threat of new entrants are bringing pricing pressure.

Trends, Opportunities and Challenges

- The majority of the market comprises tenders issued by various sick funds or insurance companies. Tenders are either in the single winner or three-winner models.
- German generics market size is about €5.9 billion, and the market growth is pegged at low- to mid-single digits.

Focus Areas

- Grow base business through aggressive tender bidding and cost competitiveness.
- Increase coverage of the German generics market to 65% over the near to medium term from the current level of around 55%.
- Continue to expand OTC business.
- Target high-volume products and day 1 launches of new products.
- Expand portfolio beyond the retail market into specialty channels and hospitals.
- Foray and expand into new market segments, viz. hospitals and institutional business.

KPIs:	1. Market coverage	2. Product launches	3. Day 1 launches	4. OTC revenue share	5. New customer segments

Performance Highlights

5.4%
Market share

€110 mn
In revenue in 2022-23



Brazil Business

Overview

Torrent Pharma has been in Brazil since 2002. It is the largest Indian pharma Company in this geography.

The Company operates in the BGx and Gx segments, with a team of 300+ sales representatives. Our branded business has crossed 500 mn BRL in 2022-23, while our generic business crossed 50 mn BRL.

Outlook

- Brazil pharma market continues to demonstrate strong growth. Historically, it has been resilient to untoward macro events, including COVID-19 and has continued to grow at a healthy rate of high single-digit to low double-digit growth.
- This market is estimated to grow by 9-12% p.a., depending on expected improvements on macro-economic parameters under government controls and its policies.

Trends, Opportunities and Challenges

- Large size of the BGx market at about $49 billion and continued preference of physicians and patients for brands from well-reputed companies.
- Fast growth of the Gx market, particularly in the more rural and remote parts of the country. The Gx market is currently estimated at $11.9 billion.
- In 2022-23 Brazilian pharma market has grown in double digits.

Focus Areas

- Grow the base business through portfolio expansion and coverage in current core therapeutic areas of Cardiovascular, Diabetes, and CNS.
- Expand the Gx business.
- Entry into new therapies.
- In-clinic effectiveness.
- Building large brands.
- Field-force expansion.

KPIs:	1. Product launches in existing therapies of BGx market	2. Increase market share in Gx market	3. New therapies

Performance Highlights*

2
Brands in Top 100 Brands

9
Brands in Top 500 Brands

6
Brands more than ₹50 crores

1st
In Brazil BGX covered market

1st
Among Indian Pharma Companies



Strategic Priorities

ST2 Create sustainable and profitable growth by investing in new markets to develop them as tomorrow's growth engines

Capitals Deployed

Focus Areas

- Leverage existing product pipeline to scale up and strengthen presence in other existing growing markets.
- Venture into new markets by pivoting already proven business model and go-to-market strategies from existing markets.
- Incrementally invest in other existing as well as other new markets to develop them as growth engines over medium to long term.
- Torrent Pharma has identified Philippines, Mexico, Russia, Malaysia and UK as second tier markets for incremental capital.

allocation and to build them as growth engines over long run.
In addition, Torrent Pharma has been continuously scanning global pharma landscape to identify newer markets for market-entry.

KPIs: 1. Revenue growth 2. New markets 3. New launches 4. Collaborations

ST3 Drive operational excellence through focus on quality, productivity, and cost competitiveness

Capitals Deployed

Focus Areas

- Ensure supply continuity through, alternate sourcing and manufacturing strategies.
- Drive productivity enhancement and cost competitiveness across manufacturing operations and procurement.
- Optimise R&D efficiency by building a market-centric portfolio that targets unmet medical needs, deploying the right technology and encouraging a culture of 'disciplined innovation'.
- Continue to strive for excellence in quality through the confluence of:
  - Strong quality systems and processes.
  - Connected technologies and reduced manual interventions.
  - Strict adherence to regulatory standards.
  - Quality culture with strong governance structure for continuous monitoring, audits and resolution.

KPIs: 1. Monitoring quality matrix 2. Product/Customer complaint 3. Per unit cost



ST4 Build engaged and empowered stakeholders with focus on leadership, innovation, and productivity

Capitals Deployed

Focus Areas

- Nurture leadership talent with an entrepreneurial mindset through succession planning at each level, structured coaching programmes with 360-degree feedback and crafting individual development programs.
- Encourage a culture of 'disciplined innovation' that balances risk taking and productivity while instilling learning through ideation and experimentation.
- Improve 'in-clinic effectiveness' through therapeutic-focused sales structure, focused sales training programmes and ensuring high employee engagement.
- Value creation for different stakeholders.

KPIs: 1. Leadership pipeline 2. Productivity metrics across R&D, Operations and Sales



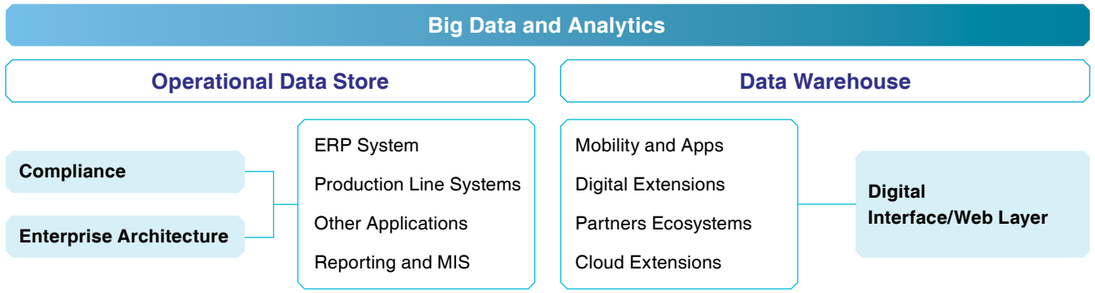
Strategic Priorities

ST5 Deploy digital technologies to drive business model improvements

Capitals Deployed

Overview

Torrent Pharma has constructed its technology stack on three pillars: Information Security, Enterprise Architecture, and Compliance. These pillars ensure a regulated atmosphere that promotes growth, sustainability, and transformation, ultimately leading to the achievement of strategic goals such as better business performance, productivity, quality, cost optimisation, and a superior customer experience. At the centre of this framework lies the state-of-the-art ERP, which integrates all other systems (including manufacturing and other applications), backed by a strong MIS and analytics structure.



To keep up with the changing dynamics of the industry and to integrate with external players and systems, the digital interface and web layer are employed to provide a regulated mechanism for both internal and external communication. This layer also addresses the interfaces for public cloud-based applications and mobile app stores. The architecture supports the strategic IT roadmap initiative and accelerates the introduction of emerging technologies, as well as external interfaces, forming the basis for fast experimentation and proofs of concept. These factors are critical in the adoption of Pharma 4.0 initiatives.

Focus Areas

We prioritise investments in technology to establish a robust, scalable, and accessible framework that enables the adoption of emerging technologies and drives transformation. We leverage these technologies to gain a competitive advantage across various business verticals. Our technology projects adhere to governance frameworks encompassing information security, infrastructure management, and compliance. Throughout the organisation, we have implemented initiatives such as a project management system, Electronic Lab Notebook (ELN), MES for production lines, supply chain automation, and a business-focused MIS and analytics framework.

Furthermore, we have developed and implemented a revamped Sales Force Automation product and designed a new IT roadmap aligned with the demands of Pharma 4.0 for sustainability, growth, and transformation. This includes enhanced information systems, additional controls and automation, and compliance with evolving regulations. Lastly, our greenfield ERP implementation project with clearly defined business benefits is nearing implementation to provide enhanced agility, control and reporting/ analytics.

KPIs:	1. IT spend	2. IT strategy roadmap

ST6 Responsible action towards environment and society by ensuring optimal use of natural resources and transparent communication

Capitals Deployed

Overview

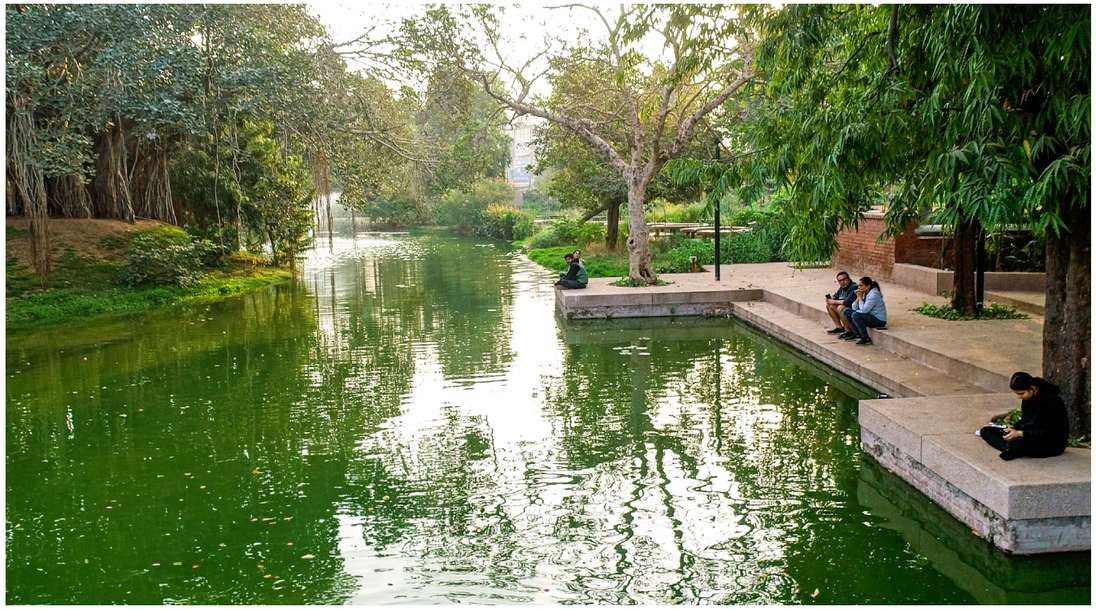
Torrent Pharma prioritises the reliability of its operations for the benefit of its stakeholders, the environment, and society as a whole. This strategic pillar outlines the Company's targeted efforts and commitments to take responsible action across all its operations. As a responsible organisation, Torrent Pharma is committed to protecting and preserving the environment and communities surrounding its operations. The Company takes consistent measures to ensure that its business activities have a minimal adverse impact on its stakeholders.

Torrent Pharma proactively manages and compensates for the effects of its operations on the environment and society. The Company also endeavours to create lasting positive impacts in the lives of all stakeholders, extending beyond mere profitability. Recognising the importance of implementing appropriate and thoughtful measures, the Company consistently develops and executes practices that generate true value, with the aim of minimising the impact of its business activities on the environment and communities.

Focus Areas

- Carbon Emissions and Energy
- Water Stewardship
- Waste Management
- Responsible Communication

KPIs:	1. GHG emissions (Scope 1 and Scope 2)	2. Water withdrawal	3. Waste recycled	4. No. of internal newsletter	5. No. of external disclosures



Financial Capital

Delivering Sustainable Growth and Value to Stakeholders

Torrent Pharma has consistently increased its enterprise value through financial prudence, sustained margin improvement and capital efficiency. Over a period, the Company has prudently balanced its capital allocation between organic and inorganic opportunities. Efficient turnaround in inorganic investments through steadfast execution and implementation of synergies, has been pivotal in enhancing shareholders' value in the long run.

Stakeholders in Focus

- Investors and Shareholders
- Employees
- Suppliers
- Government and Regulators
- Channel Partners

Materials Issues Addressed

M7 M8

Strategic Themes

ST1 ST2 ST3 ST5

UN SDGs Aligned

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Stakeholders' Value

Torrent Pharma has invested in organic and inorganic opportunities, turning its investments cash accretive in the initial years. With the philosophy of Growth with Sustainability, the Company has, over the last five years, delivered annual accretion of 17% Compounded Annual Growth in terms of Enterprise Value. The Company stands 5th among Indian Pharma Companies in terms of Enterprise Value as on 31st March, 2023.

Shareholders' Value (₹ in crores)



Highlights

13%
Revenue growth Y-o-Y

17%
Operating EBITDA growth Y-o-Y

Revenue

Long-term Trends

Over the period of five years, the revenues have grown by 10% aided by strong growth momentum in branded generic business, successful turnaround of inorganic investments and steady growth in Generic markets. US revenue were impacted due to price erosion of base portfolio combined with lack of new approvals pending inspection of US facilities. Excluding US, the five years growth has been 12%.

2022-23

2022-23 witnessed a strong growth across branded generic markets complemented by steady growth in generic markets. India and Brazil registered strong growth aided by market share gain, new product launches and field force expansion. Curatio acquisition further complemented India revenue growth. Germany witnessed sequential quarterly recovery from Q3 2022-23 owing to tender wins and cost optimisation.

Revenue (₹ in crores)



Operating EBITDA

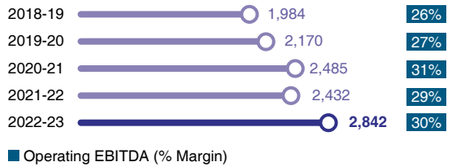
Long-term Trends

Efficient capital allocation across organic and inorganic opportunities combined with operating leverage play-out, cost optimisation and improvement in in-clinic effectiveness has resulted in to consistent improvement in Operating EBITDA margins, which has improved by ~ 7% over last five years with five years Op. EBITDA growth of 16%.

2022-23

In 2022-23, Op. EBITDA grew by 17% with margin improvement of 1%. Improvement was driven by higher share of branded generic markets and implementation of cost optimisation measures compensating the impact of price erosion on US base portfolio and incremental investment in terms of field force expansion.

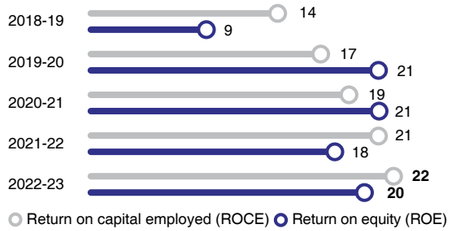
Operating EBITDA (₹ in crores)



Return on Capital Employed and Return on Equity

Over the years, Torrent Pharma has been prudent in its capital allocation across business segments with major focus on India. Financial prudence, together with sustained margin improvement, has resulted in a consistent improvement in capital efficiency and enhancement of shareholders' value. The Company is able to sustain returns even after multiple acquisitions in last few years and consistent dividend distribution.

ROCE and ROE (%)



Leverage

As at end of 2022-23, leverage in terms of Net Debt to Operating EBTIDA stands at 1.6x. During the year, there was increase in debt due to acquisition of Curatio. Considering scheduled repayments and the cash flow generation, the Company expects the leverage to reduce below 0.5x over next 2 years.

Leverage (Net Debt/EBITDA)



Manufacturing Capital

Commitment to Manufacturing Excellence

As a leading pharmaceutical player, Torrent Pharma is committed to producing top-quality products at affordable prices. With seven cutting-edge facilities spanning India, its production capabilities cover various products for markets worldwide. The Company's sustainable manufacturing practices and focus on compliance ensure that each product meets the highest standards and lowers environmental impact.

Stakeholders in Focus

- Channel Partners
- Patients
- Suppliers
- Government and Regulators

Materials Issues Addressed

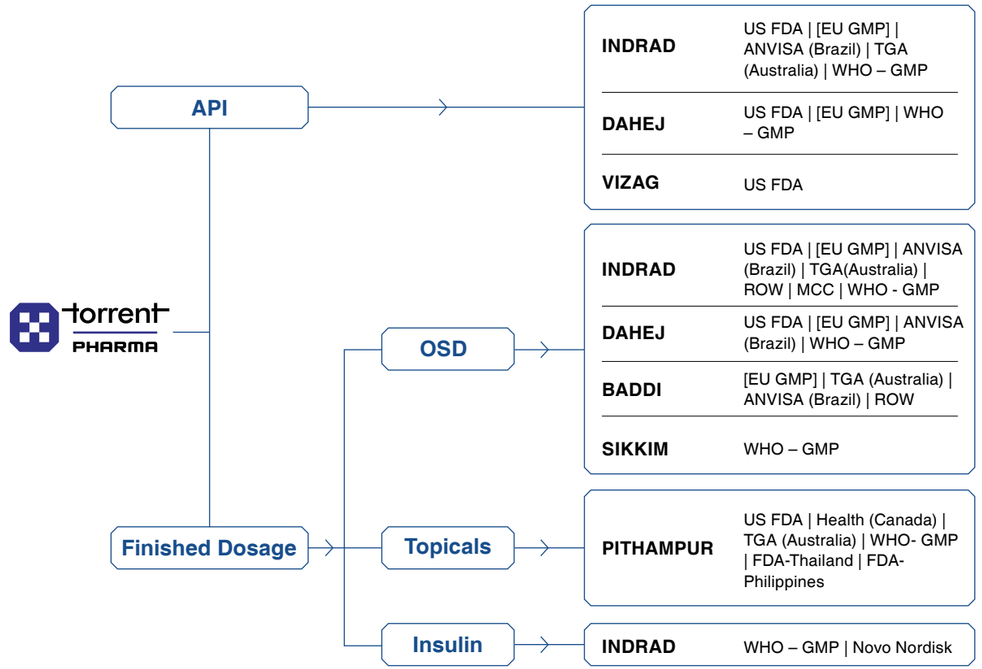
M1 M7 M8

Strategic Themes

ST1 ST2 ST3

UN SDGs Aligned

3 GOOD HEALTH AND WELL-BEING
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Our Manufacturing Prowess

We have dedicated facilities in Indrad (Gujarat), Dahej (Gujarat), and Baddi (Himachal Pradesh) for international markets. The topical formulations manufacturing facility in Pithampur caters to both the Indian and international markets, while the Sikkim facility manufactures products for the Indian market. The API facilities in Indrad, Dahej, and Vizag provide captive support to other facilities, satisfying API demand.

Highlights

7
Manufacturing Facilities

2,500+
crores
Unit dosage formulations manufacturing capacity

40+
Countries served



Manufacturing Capital

Facility Expansion on Track

Torrent Pharma has made substantial advancements in its greenfield expansion plan for an Oncology facility in Gujarat, India. The site has obtained certification from the European Authority and has successfully passed the FDA audit. With the facility meeting majority of regulatory requirements, the Company is now focusing on preparing the commercialisation of its products.

Apart from this, Torrent Pharma has received approval for a site transfer project from Europe and is currently awaiting approval for in-house developed products in both the European and US markets. With the necessary approvals in place, the site is expected to start commercialising products within the next two years. This progress is a positive indication of the Company's commitment to expanding its capabilities in the oncology space.

Driving Manufacturing Excellence

As a leading pharmaceutical company, Torrent Pharma is committed to meeting the expectations of the market and society with care. Its range of high-quality products include Cardiovascular, Central Nervous System, Gastro-Intestinal, Women's Health, Diabetes, Oncology, and Anti-infectives.

The Company has 7 state-of-the-art facilities across various locations in India that meet global standards. Its economies of scale, supply continuity, and diverse production capabilities enhances Torrent Pharma's competitiveness. The Company's facilities manufacture a variety of products including Oral Solids, Topicals, Human Insulin, and synthetic API (for captive consumption) for diverse markets.

57%
Capacity utilisation in 2022-23

20+
Dosage formulations

Focus on Sustainable Manufacturing Practices

Torrent Pharma recognises the pivotal role of manufacturing capital in driving the Company's growth, while maintaining utmost responsibility towards the environment. To produce the best healthcare products at an affordable price, it has made strategic investments in state-of-the-art equipment and technological systems, which will create long-term value for stakeholders.

During 2022-23, the Company has undertaken various measures to enhance production, safety and reliability of operations, while effectively managing environmental footprint. and complying with regulatory requirements.



Enhancing Production, Safety, and Reliability of Operations

Torrent Pharma has implemented various measures during the past financial year to improve production, safety, and reliability of operations in all its manufacturing facilities.

- **Installation of multiple machines:** To enhance operational flexibility, the Company created the option of multiple machines for one product. This decision also provides the ability to produce products with fewer constraints.
- **Machine upgradation:** Replaced old machines with newer and higher-end machines to comply with current GMP standards and expectations.
- **Increased batch size:** To increase production, the batch size of some of the products have been increased. This has allowed the production of more products in less time while also reducing testing costs.
- **Capacity and capability enhancement:** Installed a new sachet filling machine, which has increased the Company's capacity and capability. Along with this, a telescopic conveyor has been installed, which resulted in reduction in manpower and time required for unloading. Automated Clean In Place (CIP) system is under procurement for equipment such as FBP/FBD/Auto Coater to facilitate cleaning, helping reduce manpower and time required for cleaning.
- **Packaging line flexibility:** During the year, the Company implemented several upgrades to its packaging line to increase flexibility and efficiency while ensuring high-quality production standards. Additionally, it has installed static dissipating feeders, automatic bottle packing line at Indrad and Dahej manufacturing facilities which are equipped with vision inspection system. It has modified the chutes for packaging and added a lifting and positioning device to replace vacuum transferring, which has significantly reduced time and improved efficiency.
- **Safety and automation:** On the safety front, the Company has introduced a carbon dioxide flooding system for most of its critical electrical panels. This system prevents fire hazards, arresting them at their ignition point. In addition, it has implemented several improvements to reduce trip hazards and prevent blunt injuries and back injuries from constant lifting of weights. The installation of a robotic corridor cleaning system has helped achieve human-less operations.

Adopting Green Fuel to Reduce Environmental Footprint

To achieve the goal of 21% carbon-footprint reduction from the levels of 2019-20 to 2024-25, the Company has been adopting greener and sustainable practices. To achieve this, it has been replacing fossil fuels with green fuels. While fossil fuels are required for backup during periodic maintenance, Torrent Pharma is continuously working towards reducing its dependency on them and is expecting to replace 30% of fossil fuel consumption with green fuel by 2023-24.

Ensuring Quality and Compliance

Torrent Pharma undertakes various measures and initiatives to develop the highest quality products while complying with the applicable norms and standards.

Process Robustness and Consistency

By implementing statistical assessments and quality by design, the Company ensures that each product it manufactures has a limited number of issues or failures. As a result, Torrent Pharma has achieved success in terms of lot acceptance rates and fewer batch failures, with some manufacturing sites now in the top quartile.

By upgrading all manufacturing and QC equipment compliant with current FDA requirements, the Company ensures that all data is captured into the system and can be reliably utilised for batch manufacturing or batch release purposes. As a result, it has made adequate investment in making equipment(s) compliant and linking it with software(s).

Reducing Occurrence and Enhancing Skillset

Torrent Pharma has been actively undertaking a noteworthy initiative to enhance the proficiency of individuals engaged in critical operational activities. The Company has arranged training sessions with renowned experts from the United States and continues to conduct periodic training programmes across its various plants, aiming to sustain and bolster the capabilities of its workforce. Consequently, these efforts have yielded positive outcomes, including a decline in the frequency of incidents requiring investigation and notable improvements in investigative practices. The monthly count of such incidents has decreased from 10-15 to fewer than five, showcasing the tangible benefits resulting from the Company's ongoing commitment to skill development.

Update on US FDA Observation

Torrent Pharma is committed to maintaining high standards of compliance with Good Manufacturing Practices (GMP) and other norms and standards. In September 2022, the US FDA conducted an inspection at the Indrad facility and made 3 observations. In response, the Company took immediate requisite actions and implemented recommendations, including cleaning, equipment validation, and automation of equipment cleaning processes. These measures have been extended to other manufacturing sites as well. During May 2023, US FDA inspected Dahej facility and issued Form 483 with 2 observations, none of these observations were related to data integrity and there were no repeat observation.

Supply Chain Sustainability

In order to ensure that the supply chain remains secure, Torrent Pharma has been monitoring the demand versus supply ratio to assess the capacities it has built in-house. Additionally, the Company conducts quarterly meetings with top-level management to thoroughly analyse supply-chain performance and address any instances of non-deliverable or sales loss products. During these sessions, the Company meticulously evaluates the underlying causes and identifies suitable resolutions for such occurrences. Subsequently, it implements appropriate measures to prevent similar losses from transpiring in the future.

Ensuring Supply Continuity

Torrent Pharma has been working on building capacity for the long-term. In the past few years, it has successfully avoided any significant losses or instances of non-deliveries caused by capacity constraints. The Company has been evaluating the need for additional plants, and if the need arises, it will take immediate action.

Strategic Partnership for Securing Supply

To meet the needs of the domestic and semi-regulated market, Torrent Pharma is exploring possibilities of delivering products through strategic partnerships with various loan licenses and P2P businesses. Products for which in-house capabilities are unavailable, such as injectables, the Company is considering partnerships to deliver these products. It consistently strives to achieve an outstanding overall deliverance rate between 96-98%, and are pleased to share that the efforts have resulted in a track record of no major losses or non-deliveries over the past few years.

Intellectual Capital

Driving Patient-Centric Innovations

The commitment to innovation and excellence has enabled Torrent Pharma to deliver high-quality products while ensuring sustainable growth. The Company invests heavily in cutting-edge research, state-of-the-art manufacturing, and highly skilled resources to develop innovative products that meet the needs of its patients. The strong intellectual property portfolio protects the innovations and keeps the Company ahead of the competition.

Stakeholders in Focus

- Government and Regulators
- Industry Associations
- Employees
- Patients
- Healthcare Professionals
- Communities

Materials Issues Addressed

M1 M2 M7 M8

Strategic Themes

ST1 ST2 ST3 ST4

UN SDGs Aligned

3 GOOD HEALTH AND WELL-BEING
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
13 CLIMATE ACTION
17 PARTNERSHIPS FOR THE GOALS

R&D Efforts in 2022-23

Over the past year, Torrent Pharma has been committed to advancing its R&D endeavours, which have yielded significant progress in its product pipeline. The team has been actively identifying and developing new fixed-dose combinations (FDCs) to meet unmet market needs and create novel approach for better patient compliance.

Another key development during the year was approval of Unienzyme XT by FSSAI, a line-extension of the highly successful Unienzyme product. This launch demonstrated the Company's commitment to continuous improvement and expanding its product offerings.

Torrent Pharma has also been exploring newer areas, such as complex peptide formulations, to expand its capabilities and stay at the forefront of pharmaceutical innovations. This has been a priority for the Company as it strives to provide effective solutions to patients worldwide.

Highlights

₹516 crores
R&D expenditure

7
Patents filed

90+
Projects under development

790+
Scientists with 170+ support staff

Key Achievements in 2022-23

Successful Launch of Day 1 Products for Indian Market

- Sitagliptin
- Sitagliptin+ Metformin
- Sitagliptin+ Metformin XR
- Apixaban
- Sacubitril+ Valsartan

Intellectual Property

Torrent Pharma considers Intellectual Property (IP) rights as an indispensable attribute in developing new medicines to improve people's lives, to protect interests of investors, sustain competitive advantage, and incentivise research and development. The Company is committed to enhancing branded portfolio of generic medicines by securing IP rights.

Growing the Pipeline of Products

In 2022-23, the Company made efforts towards new technology development, new method of synthesis and development of novel drug delivery system (NDDS). It resulted in filing of 7 patent applications including 5 API/Process patents and one each in NDDS and formulation there by ensuring life-cycle management of its branded business.

644
Patents granted out of the total 1,236 patent applications so far

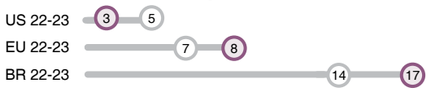
4 API/Process patent
Patents granted in 2022-23

4 NDDS
Patents granted in 2022-23



Intellectual Capital

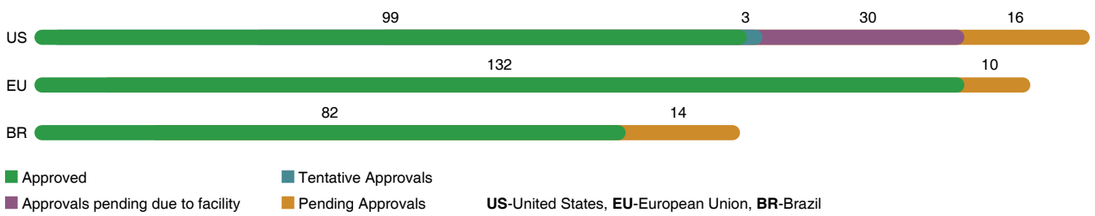
United States, European Union, Brazil



Fillings/Approvals



ANDA/Dossier Approval Status Till Date



Maximising Potential through Efficient R&D

Torrent Pharma remains steadfast in its commitment to have efficient and effective R&D as means of driving growth and expansion in its product portfolio. The focus on meeting unmet market needs across therapeutic categories has allowed the Company to leverage available market opportunities and develop novel products and formulations. This has resulted in an extensive portfolio of branded generics and generics products, which serve as a testament to the exceptional research capabilities and operational excellence.

The Company has identified parallel and sequential activities to further improve its R&D processes, which has resulted in greater efficiency and better resource utilisation. As a result, it can take on more new development products and further increase the growth potential.

Torrent Pharma has allocated its resources and direct investments towards R&D areas that offer better potential for growth and success.



Contributing to Accessibility and Affordability in Complex Therapeutic Areas

Torrent Pharma's complex generics are mainly focused on CNS, Cardio, Diabetes, Pain, GI, VMN, and Cosmetics therapeutic categories. By providing advanced alternatives to patients and enhancing the reach of sub-therapies, Torrent Pharma is able to boost its business potential while fulfilling its mission of cost-effective accessibility and affordability for major therapies.

Methylcobalamin Nasal spray is an excellent example of our R&D capability in launching new products considering patient comfort. Methylcobalamin is not adequately absorbed through the oral route. However, the nasal spray improves the bioavailability of the product, providing patients with more effective treatment option. Despite the added benefits, the nasal spray is available at a similar cost to oral products, making it more accessible and affordable for patients.

Staying Ahead with In-house API Capability

Torrent Pharma's commitment to enhancing the quality of life by producing high-quality drugs and making significant contributions to society is reflected in its in-house API manufacturing. With the API industry increasingly demanding simple and cost-effective manufacturing techniques, Torrent Pharma's In-house API R&D team focuses on novel, non-infringing, robust, and scalable processes for complex generics. The prime focus is to develop processes which are safe, efficient, and cost-effective and patenting them, wherever required, with a strategic plan.

API for CVD

The Company is working on making an API to reduce the risk of cardiovascular death and hospitalisation in certain patients with heart failure after a recent acute decompensation event. The team has developed a non-infringing process for non-infringing polymorph at a significantly cheaper cost which will allow Torrent Pharma for an early entry at a competitive price. The process involves high-yielding reactions and uses milder conditions in pilot scale to generate high quality API and the technique has been transferred to manufacturing plant.

Pharmacovigilance: Enhancing Product Safety and Reporting

Torrent Pharma's unwavering commitment to quality remains a top priority. The products undergo rigorous clinical trials to ensure safety and efficacy. To address any potential adverse effects that may arise after widespread use, the Company has implemented a robust Pharmacovigilance system. It collaborates with regulatory agencies to continuously monitor the safety and benefit-risk profile of the medicines throughout their lifecycle.

To facilitate easy reporting of adverse events or product complaints, stakeholders have access to a reporting form on the website. The Company also provides a dedicated phone line and mailbox that are consistently monitored. The independent global pharmacovigilance group, comprising of doctors and pharmacists, oversees the interconnected domestic and affiliate pharmacovigilance systems under the guidance of a Global Pharmacovigilance responsible person.

As part of the standard procedure, Torrent Pharma submits weekly reports to the R&D centre, taking prompt action when necessary. The field employees receive extensive training on medicine usage to ensure their comprehensive understanding.

Stakeholders can reach the Company through the dedicated email address, pv@torrentpharma.com, and a toll-free number. Additionally, complaints can be logged on the website, providing convenient access for reporting any issues.



Sustainable Commercial Manufacturing for APIs

The R&D and Technology Transfer teams play a pivotal role in developing sustainable commercial manufacturing processes for API process development. Torrent Pharma has a state-of-the-art R&D facility which focuses on diverse portfolio APIs and supports the Formulations business. The Company's R&D team comprises highly qualified scientists with expertise in Organic/ Medicinal Chemistry and Chemical Engineering who leverage their skills to develop complex and challenging molecules.

Committed to sustainable development, Torrent Pharma follows green-chemistry principles to reduce effluent and waste generation. The Company's focus on sustainability is reflected in the process, which are continuously optimised to develop robust and scalable products. In addition, Torrent Pharma has a dedicated Life-Cycle Management team that contributes toward efficiency improvement and reduction in cost parameters, ensuring the commercial sustainability of products in a highly competitive pharma market.

Cost Improvement Plan for Commercial API

Torrent Pharma is committed to lowering the overall cost of its APIs through various means, including redesigning processes for existing commercial products and managing the life cycle of products. The Company's cost improvement plan is aimed at improving yield, reducing solvents and reagents, minimising process cycle time, backward integration of expensive starting materials, and using alternative key starting materials to gain cost advantage.

The team designed a manufacturing process using stoichiometric quantities of reagents, resulting in a clean reaction and avoiding the formation of toxic impurities or side products. This optimised process led to two-fold yield improvement, reduction in process time cycle, and a substantial decrease in waste generation compared to the existing commercial process.

70%
Reduction in process time cycle

Process Optimisation in Development of Anticonvulsant Medication

Torrent Pharma has developed an anticonvulsant medication for the treatment of a serious genetic brain disorder in children that is not structurally related to other marketed products. The process development includes using a single solvent throughout the multiple-step synthesis and safe, mild reagents and process conditions to minimise the generation of impurities, by-products, and waste. The process is optimised to operate at ambient temperature and achieve desired particle size directly through crystallisation, resulting in less energy consumption and environmental impact.

Process Improvement for More Potent and Safer Steroid-Genesis Inhibitor

The R&D team has developed an innovative and robust process (patent applied) for a potentially more potent and safer steroid-genesis inhibitor used to treat an orphan disease. The process avoids the use of hazardous chemicals and high-temperature reactions, resulting in a significantly cheaper API, and has been developed by minimising the number of steps.



Formulation Development: Innovating to Cater to Unmet Market Needs

The formulation pipeline includes complex generics, which are primarily developed for global markets. The focus is on therapeutic categories such as CNS, CVD, Pain, Derma, Cosmetics, and GI. Over the years, Torrent Pharma has developed novel products of Fixed Dose Drug Combinations (FDCs) for maximising therapeutic synergies, limiting side effects, and improving patient compliance.

To cater to the needs of the geriatric, infant, and hospitalised patient categories, the Company has initiated NDDS (Novel Drug Delivery Systems) initiatives. These initiatives focus on changing the route of administration of drugs to make them more accessible and convenient for patients.

Pregabalin with Duloxetine, Repaglinide with Voglibose and other products provide convenient and effective second-line therapy for pain relief and glycaemic control respectively.

Tapentadol NS, Tolaz LA, and other products have been developed to provide effective pain management with minimal side effects.

In 2022-23, Torrent Pharma has identified and developed FDCs to reduce the pill burden of patients in focused therapeutic areas such as CNS, CVD, Pain, Cosmetics, and VMS.

World-class Quality



Bio-evaluation Centre Accreditations	Studies Inspected and Approved by	Studies Accepted by Regulatory Agencies in
• The Drug Controller General (India) (DCGI) • ANVISA (BRAZIL) • Ministry of Health (UAE)	• US FDA • AFFSAPS (ANSM) • DKMA • AGES • ANVISA	• Russia • CIS Countries • Australia • ASEAN countries • South Africa • African countries • South American countries

Human Capital

Cultivating Growth, Nurturing People's Wellbeing

Torrent Pharma is proud to cultivate a culture centered around people and provide a positive work environment that nurtures the needs and ambitions of its employees. The people-first approach values a diverse workforce, guided by the core values, resulting in the organisation's achievements. The Company's commitment to employee health and safety, ample growth opportunities, and embracing new competencies has made it an employer of choice.

Stakeholders in Focus

Employees

Materials Issues Addressed

M5 M6 M7 M8

Strategic Themes

ST1 ST2 ST4 ST5 ST6

UN SDGs Aligned

3 GOOD HEALTH AND WELL-BEING
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES

A People-centric Approach

The Company believes that employees are its greatest asset(s) who help augment the growth and success. Our culture is recognised industry-wide for our employee welfare initiatives. We empower our people with the necessary independence, skills, and competencies that help them perform better and take on new challenges. The HR department continued to arrange training and development programmes, which has helped talent to nurture, sharpen and understand new management skills. The Company celebrates various events where employees and their families participate thereby imbibing the reflection of a large Torrent family.

Highlights

15,400+
Total employees

66%
Employees Upskilled

60+
Specially abled employees

Employee Value Proposition

The Company values its employees and their development by emphasising on their wellbeing and growth prospects. We prioritise performance and transparency, with comprehensive policies and processes to help employees grow and to prevent bias and unethical practices. This approach helps us to attract top talent and maintain a low attrition rate in the industry. We believe that if employees are taken care, they take care of business.



HR Strategy

Skills and Capability

Ongoing learning and development opportunities to support employees' career growth, such as competency development programmes, succession planning, and gap-identified skill development.

Wellness

A safe and supportive work environment that prioritises employee safety and well-being, including mediclaim coverage, financial benefits for accidents or demise, and a culture of work-life balance, diversity, and inclusion.

Equal Opportunity

A culture of equal opportunity that fosters inclusion, where all voices are being heard, and all employees have a chance to participate in decision-making process. Extended benefits are available for contractual workers and enhancement of woman representation in the organisation.

Compensation

Fair and competitive compensation that includes entry-level salaries at par with industry standards, performance-based increments, recognition and felicitation programmes.

Work Hygiene

Ethical and transparent practices that encourage a culture of accountability through implementation of Code of Conduct and Whistle Blower Policy. POSH is implemented to prevent harassment.

Leveraging Technology in HR and Operations

Torrent Pharma has made a significant stride in adopting technology for HR and operational functions. The sales force automation system for the field force is indigenously built and entirely automated using cloud technology and dashboards. The Company has also implemented an ERP system, SAP for over two decades, making all processes efficient and agile. Currently, it is implementing a fully automated system for all HR functions, that will deliver various benefits to the employees. In addition, the Company uses latest technologies for its plant operations, including Quality Control and Production.

ESG Framework

Torrent Pharma has developed and integrated a comprehensive ESG framework that incorporates all the relevant sustainability perspectives into its business strategy and operations. The strategic focus areas, targets, and progress made in the year are:

Strategic Focus Areas	Targets	Progress with KPIs
Employee Satisfaction and ESG Training	• Employee satisfaction survey for 100% of employees	• Employee Satisfaction Survey initiated in April 2023 across all Pharma locations to enable the Company appreciate its strengths and identify focus areas of improvements
	• 16 hours of ESG training per employee	• ESG training module development
Health, Safety and Wellness	• 100% manufacturing sites with safety management certificates (ISO 45001) by 2022-23	• Self-assessments for certification readiness • Implemented ISO 45001 certifications for all operational plants • Improved data management system to collect, compile, and analyse data for work related ill health and injuries
	• Maintain 0.2 Lost Time Injury Frequency Rate (LTIFR) per mn manhours	• Reported LTIFR is 0.10 per mn manhours of last year • Adopt GRI definition for Incidences of High Consequences (IHC) and monitor IHCFR
	• Aim to maintain zero fatality	• Ensured 100% reporting of occupational health and safety incidences • Undertook campaign for behavioural change towards safety • No fatal accidents reported in 2022-23
Diversity and Inclusion	• 15% women in workforce by 2024-25	• Implemented various gender diversity initiatives to increase representation of women employees
Human Rights	• Human Rights assessment for 100% of operations	• Human Rights Policy has been announced. Training has been imparted

Leadership and Talent Management

Torrent Pharma is committed to developing and empowering its employees with the necessary skills and competencies to succeed in their roles and drive the growth of the organisation.

The emphasis is on creating a conducive work environment and developing a robust and consistent approach towards talent management and leadership development. This is one of the core contributions of the Company's HR team. Further, the department regularly evaluates the requirement of staff based on the demands of the business and also projects future requirements, thus playing a crucial role in corporate decision-making. It also strategically aligns HR Practices with the business objectives and priorities.

The organisation places strong emphasis on delegation of authority and clear responsibility. Each department operates with a high level of autonomy and accountability, enabling employees to take ownership of their work and contribute to the Organisation's success.

Hiring and Onboarding

Torrent Pharma takes great care in selecting individuals who share the Company's values and exhibit the right attitude. The importance of upholding a strong culture of values and behaviours are clearly communicated to all employees from day one. This ensures that each new employee is aligned with the Organisation's objectives and values and can make a valuable contribution towards collective success.

Values That Drive Decisions

At Torrent Pharma, culture is defined by the core values of Integrity, Passion for Excellence, Participative Decision-Making, Concern for Society and Environment, Fairness with Care and Transparency. The Company prioritises stakeholder interests while being mindful of society and the environment. The values are deeply ingrained in the Company's processes and new hires undergo necessary training to ensure they become part of the culture. The Company makes decisions based on data and facts, and believes in thorough deliberations and discussions before arriving at conclusions. The HR department plays a major role in developing an inspiring work culture weaved by the values and processes that enables everyone to recognise their true potential and focus on an all-encompassing growth.

Training for Capability Building

Building capabilities in employees through regular trainings and developing them to take higher responsibilities is integral to the Company's HR strategy. The existing resource base is upskilled and updated with latest developments in the sector to ensure a strong

Maintaining High Field-force Productivity

Our field-force productivity is higher than the industry average because of our chronic-focused portfolio and high customer retention. Our representatives are therapeutic specialists who keep in touch with doctors on a regular basis. They cultivate stakeholder relationships based on knowledge sharing, building patient awareness, and focusing on the quality of our products.

We have designed a special reward structure to reward the field force for their performance exclusively. All these have helped us to be among the Top 3 Indian pharma companies in terms of field-force productivity.

~₹9 lakhs/month
Field force productivity



resource pipeline. The whole process starts from the day of induction and continues during the entire tenure of their employment. Between their tenure, the Company conducts need-based training programmes based on the feedback of line managers and also some upskilling training programmes.

Torrent Pharma organises periodic programmes for Managerial Development for employees. The culture of developing leadership and technical talent is instilled within the Torrent culture through periodic processes of feedback and appreciations in form of awards.

Leadership Skill Development

The Head of the Departments (HODs) identify the different leadership skill requirements, which are then incorporated into the yearly training calendar. The HR department further classifies these requirements into technical/functional and behavioural categories to provide focused training.

Internal Training and Mentoring

Torrent Pharma has a team of internal trainers and facilitators who are subject matter experts in their respective fields. The HR department works in coordination with the HODs to identify these trainers, who then provide technical and functional training to the employees. These trainers also act as mentors to the employees, by helping them develop their skills and knowledge.

External Training Programs

The Company also undertakes external training programmes based on feedback from the HODs to build certain competencies in employees.

Value-based Training and Cultural Alignment

Every new employee at Torrent Pharma first goes through the value-based training programme. It emphasises the importance of the Company's values and how they are incorporated in their daily work. The Company believes that culture is crucial for organisational success, and hence, has multiple touchpoints to ensure cultural fitment amongst employees.

Torrent Pharma conducts regular training programmes on its values and passion for excellence. The training is not just limited to the executives but is also extended to the ground level employees. The senior colleagues on the field also have a role to play in influencing the culture.

Behavioural Training

During the reporting fiscal, following trainings were conducted:

Behavioural Trainings	Technical Trainings	Safety Trainings
• Management Development Programme (MDP) • Upskilling the Pharma Industry workforce • Orientation Program under the Prevention of Sexual Harassment (PoSH) Act • Workplace Behaviour Communication Skills • Skill Building, Leading with Passion.	• International Pharmaceutical Federation (FIP) • Data Integrity, 21 Code of Federal Regulations (CFR) Part 11 • Good Documentation Practices (GDP) • Current Good Manufacturing Practices (cGMP) • Analysis Related Trainings, Good Laboratory Practices (GLP) Training, • Audit Related Training and various other Technical Trainings	• General safety and job specific safety • First-aid training and occupational health, safety and productivity in industries • New hire inductions • Organisational Goal - Zero Incident and Safe and Defensive Driving Skills • Hazards associated with Canteen Activities • New Safety Topics to create awareness among the workforce
SOP Training	**Representative Office Trainings**	
• Job Specific Awareness Trainings for Compliance and New Hire Inductions Training.	• Induction Training for New Employees (all categories). • Pharmacovigilance Trainings for New Employees. • Safety Training for New Employees. • Product Training for Sales Force Employees (Medical Representatives, Regional Managers, Key Account Managers). • Specific Professional Trainings for Human Resources (HR), Accounting, etc.	

Annual Training Programmes

In order to improve managerial and administrative skills, the Company organises an annual training programme for newly promoted managers and assistant managers. Additionally, it holds need-based programmes for all units to enhance their skills and managerial capacities.

Fostering a Performance-driven Culture

Torrent Pharma fosters a performance-driven culture by setting clear goals, providing feedback and recognition, promoting continuous learning, encouraging collaboration, maintaining transparent communication, implementing merit-based rewards, and fostering a proactive mindset for innovation and improvement. This culture empowers the employees, drives productivity, and ensures the Company's long-term success in making a positive impact in the healthcare sector.

Rewards

Torrent Pharma values and recognises the contributions made by its employees to the Company's vision and mission. The Company rewards its employees through a performance management system that reviews individual performances, determines compensation, and facilitates appraisals.

Recognition

Torrent Group acknowledges the outstanding achievements of its employees through the prestigious 'Torrentian of the Year' award. Each year, two employees from the group are selected as "Torrentian of the Year". The award is bestowed to employees who exemplify Torrentian characteristics by demonstrating professional competency, consistently surpassing expectations, exhibiting dependability, and showing unwavering commitment to the Company. The recognition is celebrated on Founder's Day to express gratitude to its founder Chairman, the visionary late Shri U.N. Mehta.





Human Capital

Promoting Innovation

Innovation is deeply ingrained in Torrent Pharma's culture, as the Company actively encourages and promotes innovative thinking. The Company recognises and rewards employees who go above and beyond to develop new products and contribute to the organisation's purposeful growth. This emphasis on innovation has enabled Torrent Pharma to formulate and develop new molecules and drug delivery systems.

Torrent Pharma places significant importance on investments in intellectual capital, including talent development and competence advancement. The organisation cultivates an environment that fosters lifelong learning, encourages risk-taking, and embraces the learning opportunities inherent in making and learning from mistakes. These principles are integral to the innovation processes at Torrent.

Code of Conduct

Torrent Pharma's Code of Conduct establishes the ethical and legal framework that defines the Company's work culture. The Code promotes honesty, trust, accountability, and transparency, establishing key corporate and organisational principles that guide the Company's values and operations.

Every new employee at Torrent Pharma receives a comprehensive Code of Conduct orientation upon hiring, ensuring a thorough understanding and wholehearted embrace of the code. The implementation and adherence to the code are facilitated by a robust vigil mechanism that monitors any deviations or violations. Within the workplace, every employee is expected to uphold the Code of Conduct in both their words and deeds.



Employee Satisfaction Survey

We value our employees' contributions and continuously seeks to improve their workplace experiences. To gain valuable insights, we conducted the Employee Engagement Survey—VOTE (Voice of Torrent Employees), in collaboration with an external agency. The survey ensures unbiased feedback and anonymity, guiding us to address strengths and areas for improvement through people-centric initiatives.

Succession Planning

A strategic succession-planning framework is curated to nurture and foster the abilities of high potential executives. An inspiring leadership adapted from a collaborative culture is what it foresees and identifies as important for the Company's growth and development.

Torrent Pharma's succession planning has been an integral aspect of its strategy on future preparedness. The Company has engaged with Mercer for identifying and developing internal talent as it is most important undertaking for any organisation. Internal promotions have been a key part in the organisation's human resource development, and they have helped the Company to become more competitive and build a collaborative culture.

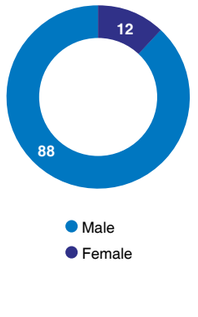
Job rotation plays a pivotal role in nurturing young talents, facilitating their development into future leaders, and expanding their skill sets through exposure to diverse roles.

By encouraging individuals with recognised talents, we provide them with opportunities to refine and enhance their skills within specific talent domains. The primary focus is on continuous learning and the cultivation of competencies across various work domains.

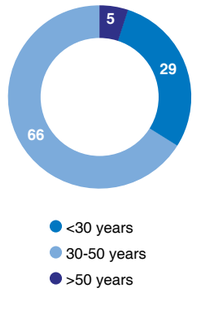
Diversity and Inclusion

We are dedicated to promoting diversity and inclusion in all areas of the Organisation. In the past year, continuous efforts were taken to ensure enhanced representation of women employees at each level. We are now targeting to achieve 15% women representation in our Organisation.

Gender Diversity (%)



Age Diversity (%)



Women Employee-focused Initiatives

Asmita: At Torrent Pharma, we recognise that our strength is our diverse talent. We foster our philosophy of equal opportunity with an endeavour to encourage equitable and fair representation of talent across organisation. We aim to increase gender diversity representation to 15% by enabling new policies.

Sangini: This is a platform for women to express and celebrate womanhood, with health seminars held twice a year for all women employees.

Creche Facility: A fully equipped creche facility is provided to all working mothers at each location so that while they are at work, their children are taken care of.

Others: Celebration of events like Women's day.



Encouraging Inclusion

Alongside our dedication to fostering gender diversity, we are equally devoted to the full integration of individuals with disabilities within our workforce. Across all our locations, we actively maintain a percentage of employees with diverse abilities. To prioritise the needs of our entire workforce, we have implemented infrastructure modifications Company-wide. These adjustments are particularly notable within our R&D areas, where we have tailored accommodations to ensure equal access and comfort for every individual. Our firm conviction is that all employees deserve a supportive and inclusive environment, irrespective of their gender, abilities, or background.

Workforce Details

	Male	Female	Total
Permanent employees	13,315	1,766	15,081
Fixed term employees	309	17	326
Contractual employees	1,606	333	1,939
Total workforce	**15,230**	**2,116**	**17,346**

Health, Safety and Wellness

The health, safety, and wellness of all employees are of utmost importance to Torrent Pharma. The Company continuously strives to create a safe and healthy work environment for all employees across the organisation. Below are some of the safety policies, initiatives, and trainings that the Company has in place for the safety and well-being of its employees.

Safety Policies, Processes and Systems

Torrent Pharma's Field Force is an important contributor to the Organisation's success. In order to ensure they are safe, emphasis is given on safe driving of two-wheelers. Today, the Company has a comprehensive vehicle information system in place, which was developed indigenously. This system collates data about the status of the vehicle and provides data on various parameters like servicing, status of tyres, etc. The system sends automatic email alerts to employees so that necessary action is taken to prevent any accident.

The Company has also implemented new safety policies and processes for its field staff. Upon joining, the field staff is receives the first protective equipment - an ISI brand helmet. Additionally, water bottles are provided to carry safe potable drinking water and safety glasses are provided to ensure proper visibility, especially at night.

Safety Trainings

The Company has implemented a training programme for all employees in the field to ensure they are well-versed with health and safety. Trainings are provided on how to drive vehicles safely, especially in small lanes and avoid collision with different animals. It also focuses on training them to maintain vehicles during the summer season when temperature rises.

Road-Safety Training Programme

Every 6 months, the Company conducts a demonstration on how to drive a two-wheeler. This partnership ensures that employees are up to date with new rules and regulations as well as understand manoeuvring in different road conditions and with vehicles.

Proactive Incidence Reduction Initiatives

In 2019, two cases of death caused by accidents became a turning point for the Company. Following this, it began working with the team and introduced accident grading, which categorises accidents as A+, A, B, and C, with C being the least severe. The Company then started focusing on driver training and introduced a comprehensive vehicle-information system. Since then, Torrent Pharma has witnessed encouraging results and a significant reduction in accidents.

A preliminary information report is generated for each accident. The Company regularly plots accidents, attempts to recreate the incidents, and provides advice on preventive action. This information is communicated to all employees and their respective hierarchies.

4.99+ lakhs
Manhours of training





Periodic Health Check-up: We are conducting Employee's health check-up across the country. On completion of health check-up, the Company doctor counsels the employees and advises for further intervention if required.

Health Information System (HIS):
We have a Health Information System, which was developed indigenously by our information-technology (IT) department. This system aids in health-related decision making and covers four aspects, namely:

Health check-up Scheduling, Report analysis, Counselling and Follow ups and building a feedback system.

Employees found with co-morbidities during these health check-ups are counselled by the Company Doctor regularly.

List of Safety Trainings

- General Safety Awareness and HSE Management System
- Training on ISO 14001 & OHSAS 18001
- Behaviour Based Safety
- Road Safety and Preventive Safety Measures
- Vehicle Information System
- Defensive Driving Training
- Laboratory Safety
- Electrical Safety
- Training on Solvent handling
- First Aid Training
- Fire Drill training
- Slip/Trip Hazard training
- Material-handling and storage training
- Job-specific safety training
- Mass toolboxes talk training to contractors

Technology-enabled Incident Reporting Platform

At Torrent Pharma, we strongly believe in the effective use of technology for ensuring a safe workplace. We have implemented an incident-reporting intranet that helps us constantly monitor the incidents occurred at any location. In case of any incident, the authorised HSE team member provides a detailed incident report in the intranet within 24 hours of the incident, including the measures taken to prevent such incidents in future. As soon as the report is uploaded, a notification is sent to all relevant members across other plants to ensure that proactive safety measures are taken. This platform also contains the plant and activity-wise incidents reported for the past five years.

Human Capital

To maintain the safety culture, there is a feature in the platform which enables employees to report any unsafe act or behaviour observed in the workplace along with adequate proof. Once reported, a notification is immediately shared with HSE head of the plant and then forwarded to the Head of the Department, mentioning the details of the employee associated with the unsafe act. As per the degree of the unsafe act, relevant actions are taken, and it is ensured that such behaviour is not repeated in the workplace.

Prevention and Investigation of Incidents

It is necessary that the implementation of HSE protocols and reported incidents are monitored and investigated. This is to ensure the implementation of corrective action as well as learn and prevent future occurrences. All manufacturing locations track incident sharing and safety.
All levels of employees, contractual workforce, and stakeholders can report safety concerns (unsafe activity/ conditions) and near misses using a defined and regulated protocol, advisory notes, and Corrective Action and Preventive Action (CAPA) compliance by all facilities on a priority basis to avoid any recurrence of events.

Audits: HSE audits of its activities and those of major supply-chain partners are all part of our comprehensive programme. The audit programme's goal is to identify HSE hazards and potential compliance gaps, as well as best practices for addressing these risks and gaps. A third-party inspection agency is hired to deep dive in our health and safety management systems and processes. The result of the study confirmed that our systems are resilient enough for potential hazards and risks. However, we intend to further enhance our systems by integrating state-of-the-art technologies in our operations and plants.

Emergency Preparedness: The organisation's disaster readiness are reviewed on a regular basis to maintain the Company continuity. At the manufacturing plants, qualified and experienced safety professionals and fire crews are on-call 24 hours a day, 7 days a week to cope with any emergency.

Drills to battle emergencies are held on a regular basis to boost confidence and emergency preparedness. All institutions feature well-equipped fire and emergency control centers to deal with any emergency.

Safety initiatives taken up during the year are:

- Fire Safety Audits
- External Safety Audits
- Safety Trainings

Safety measures that continue as a part of proactive safety culture include pre-start-up safety review (PSSR), a departmental safety manual, and general safety.

Safety Performance

	2022-23 (Nos.)
No of Fatalities	0
Lost Time Injury Frequency Rate (LTIFR)	0.10
Total Recordable Injury	2
Total Non-reportable Injuries (Including Near Misses)	**37**



Human Rights

At Torrent Pharma, we take complete responsibility to respect and uphold human rights. As a part of our commitment, we have implemented several policies including structured Human Right Policy and initiatives to ensure that our practices align with international human rights standards. We have initiated training to encourage all our employees to adhere to the Human Rights principles.



Impact Assessment and Research

Regular impact assessment studies and research are conducted to evaluate our human rights practices. Recently, we conducted an assessment of our open times policy. We are pleased to report that we have not received any complaints or reports of discrimination. In addition, we have a strict policy against child labour to ensure that our operations do not infringe on the rights of children.

Non-Discrimination Policy

We are committed to promoting diversity and inclusion in our workplace, which is why we do not discriminate based on gender, differently-abled persons, or HIV status. We have policies in place to ensure that all employees are treated with dignity and respect.

Audits and Compliance

As an export-oriented organisation, we are committed to ensuring that our plant locations comply with human rights requirements. Our customers conduct audits to verify compliance, and we have a robust policy and whistle-blower system. We are proud to report that the number of cases identified by auditors has reduced from 20 to 3 over the past eight years.

Future Initiatives

Looking ahead, we have several initiatives planned to further promote ESG roadmap in our operations.

- Human rights will be integrated as a vital part of the employees' on-boarding process to ensure awareness and adherence to these principles from the start.
- A cross-functional team will be formed to monitor and promptly resolve complaints related to human rights issues, fostering a fair and respectful workplace environment.
- We will actively engage with stakeholders to raise awareness and promote understanding of human rights, creating a culture that values and respects these principles.
- Various policies and initiatives will be implemented to support gender diversity, fostering an inclusive environment that is enabling and welcoming for women.

Social and Relationship Capital

Empowering Inclusive Social Development Commitment

The philosophy "think of others when you think about yourself", set forth by Late U.N. Mehta, the founder, guides the Company to develop a holistic CSR approach and framework to address the multidimensional development needs of society and create a more sustainable future for all.

Stakeholders in Focus

- Government and Regulators
- Industry Associations
- Communities
- Patients
- Suppliers
- Channel Partners
- Healthcare Professionals
- Investors and Shareholders

Materials Issues Addressed

M7 M8

Strategic Themes

ST4 ST6

UN SDGs Aligned



An Holistic CSR Approach

The Company is commitment to promoting the holistic growth of communities goes beyond declaring the intentions. Torrent Pharma channels a part of its resources and activities towards enabling meaningful social, ethical, and environmental impact. The Company is committed to continuing its efforts towards creating a more inclusive and healthy society.

Highlight

₹26 crores
CSR contribution during 2022-23

CSR Focus Areas

- Community Healthcare, Sanitation and Hygiene
- Education and Knowledge Enhancement
- Social Care and Concern

Governed by a Dedicated Committee

Torrent Pharma has a Corporate Social Responsibility and Sustainability (CSRS) committee at the Board level that oversees its community-facing initiatives. The holistic CSR policy highlights focus areas, project categories, programme types, delivery methodologies, and resources. It provides guiding principles for community engagement for all relevant employees and partners.

Annual Action Plan (AAP) and Progress

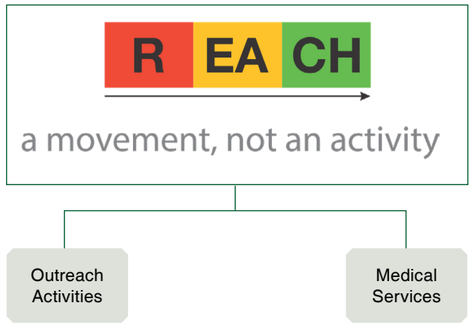
The CSRS committee meets at least twice a year, develops an annual action plan (AAP) outlining the chosen projects, activities, and budgets for the year. The committee also seeks the Board's approval for the same, and tracks AAP implementation.
The Company regularly keep a check on the impact of its decisions, projects, and activities on society and the environment. This helps the Company to identify areas for improvement and build trust with its stakeholders.

Community Healthcare, Sanitation, and Hygiene

The commitment to sustainable development is reflected in Torrent Pharma's continuous efforts to empower communities with access to quality healthcare services. In 2016, the Company introduced its flagship programme REACH under UNM Foundation.

REACH (Reach EAch CHild):

A child health-centric initiative, the programme aims to prevent their health problems, enhance women's health and hygiene, and provide access to specialist medical services through proactive interventions, including awareness campaigns.



REACH has three pillars that work together to foster equitable healthcare:

Grassroot Interventions

The first pillar of the programme targets to establish a baseline health status of children aged 6 months to 6 years.

Greenfield Actions

The second pillar provides healthcare services to support children up to 18 years in remote areas with inadequate medical services.

Other Allied Activities

The third pillar is dedicated to removing the taboos associated with menstruation and creating awareness about menstrual hygiene among adolescent girls.

Social and Relationship Capital

Journey so far

2014
- Research and Groundwork
- Meeting 20 leading pediatricians across India
- Visiting US, UK and Canada Hospitals

2017
4 Paediatric Centres started at Sugen, Pakhajan, Balasinor and Indrad

2020
Inauguration of 150 bedded Paediatric Hospital - Balsangam

2021
- Grassroot Interventions
- Extended to 1,000 from earlier 351 villages (2016), following Anganwadi Model and through Non – Medical camps to identify and serve malnourished children

2022
- Balsangam renamed as UNM Children Hospital
- Started ICU and surgeries at Hospital
- PHCs started at Waghai, Chhapi, Dediapada, Naswadi and Radhanpur



Outreach Activities

The activities aim to improve the baseline health of children in underserved communities, establishing a foundation for a healthy future. Through medical camps in villages across Gujarat, Maharashtra, Uttar Pradesh, and in the Union Territory of Dadra and Nagar Haveli (DNH), children were screened for anaemia, malnourishment, and chronic ailments, providing necessary interventions for improvement.

The treatment regime resulted in positive outcomes, benefiting over 69% of malnourished children, over 90% of anaemic children, and providing appropriate treatment for children with illnesses.

In 2022-23, Torrent Pharma organised fresh baseline screening camps focusing on identifying underweight, malnourished, and anaemic children in Gujarat. Supplement distribution and follow-up activities for identified children have been ongoing. Furthermore, the Company expanded its coverage by conducting baseline screening camps in Banaskantha and Radhanpur in Gujarat. Pilot projects were also initiated in Agra, Bhiwandi, and Daman, with the involvement of local office teams.

1,24,000+
Children screened through the medical camps

1,200+
Villages covered

Note: The total number of villages covered and children screened are on a cumulative basis from 2016 till 31st March, 2023

Contributing Towards Fighting Malnourishment and Anaemia

To combat malnourishment, Torrent Pharma offered Ready-to-use Therapeutic Food (RUTF), to malnourished children. Further, to enhance the taste and variety, the Company developed biscuits with different flavours and same nutritional components.

For anaemic children, adequate iron supplements are provided to bring them up to the medically desired level. Moreover, if any children require additional supplements, medication, or advice, they are directed to one of the Company's existing paediatric centres.

For strengthening awareness, public awareness campaigns were conducted to raise awareness about malnutrition, anaemia, good health, and hygiene. Here, the causes, symptoms, cure, and care were shared with the participants across all villages that are supported through the CSR programmes. The Company does this by showing Audio-Visual films in vernacular language in various villages.

Outcomes

90%
Anaemic Children Benefited from the Programme

69%
Malnourished Children Benefited from the Programme



Expanding Impact Through Anganwadis

To further expand the medical camps and diet supplement, Torrent Pharma is extending the reach of the medical camps and diet supplements to children registered with Anganwadis in the new villages it is entering. The Company collects data of moderate and severely malnourished children from Anganwadi workers and organise their care.

Mass Awareness Drive

The awareness drive for communities is a significant part of the Company's sustainability efforts. Torrent Pharma conducts advertising activities to educate people that healthy food can be cooked at home. The team visits villages, identifies available ingredients, and cooks healthy meals to show people how to make them. The Company creates posters and videos in local languages, emphasising the dangers of malnutrition and anaemia and promote healthy practices for children. It uses social media to reach a wider audience and educate people about health issues, targeting all income levels. The outreach activities at hospitals have been successful in educating people about health issues, and the Company continues to expand its efforts to improve the health and well-being of communities.



Other Allied Activities

Healthcare and Sanitation for Adolescent Girls

One of the initiatives was focused on empowering adolescent girls in rural areas by addressing the taboos associated with menstruation and promoting menstrual hygiene. The programme included interventions to encourage the use of sanitary napkins and provide education on menstrual hygiene. Women employees and female volunteers distributed sanitary napkins and conducted counselling sessions for adolescent girls in Sugen, Dahej, and Indrad. Sanitary napkins are being provided on regular basis absolutely free of cost to the beneficiaries.

As part of the initiatives, the Company introduced a pilot programme offering biodegradable and reusable sanitary napkins to females. The positive feedback from this pilot experiment led to transition more than 27,000 beneficiaries from 615 villages to these sustainable napkins. In addition, over 7,800 beneficiaries from 167 villages were enrolled and provided with regular sanitary napkins on a monthly basis.

The efforts have reached a significant number of beneficiaries, with over 35,000 adolescent girls covered across 800 villages in the Sugen, Dahej, and Indrad centers. Among them, more than 28,000 beneficiaries from 633 villages have transitioned to using biodegradable and reusable sanitary napkins.



35,000+
Adolescent girls were provided sanitary napkins

Employee Task Force for Community Initiatives

A task force was formed for driving our healthcare awareness drives. The employee task force conducted a comprehensive test this year. They not only visited all the slums but also reached out to each and every doctor. Their aim was to cover not just the availability of medical resources, but also the end users – the beneficiaries. They organised a mass awareness drive to ensure that both medical facilities and activities were accessible to all.

2,000+
Employees are part of the task force for community initiatives

Medical Services

Medical services are offered to children up to 18 years of age who live in remote areas with limited access to medical facilities. The initiative involves setting up Primary Paediatric Health Centres (PPHCs) to provide free medical advice, basic laboratory services, and medication to underprivileged children.

In 2017, four paediatric centres were launched in Sugen, Dahej, Indrad, and Balasinor of Gujarat with a focus on outpatient departments (OPDs). In 2020, we achieved a significant milestone by transforming the Sugen paediatric centre into a 150-bedded multi-disciplinary hospital, providing critical care to children.

In 2022-23, five more PHCs have been started at locations of Dediapada, Waghai, Naswadi, Radhanpur and Chhapi to reach to and serve beneficiaries in interior rural areas with less medical facilities.

360+
OPDs/day across all 9 centres

1,00,000+
OPDs carried out during 2022-23 across all 9 centres

4,00,000+
OPDs since inception across all 9 centres



UNM Children Hospital

The commitment to providing comprehensive critical care to children is exemplified by the recent strategic shift towards focusing on surgeries. This shift in focus allowed Torrent Pharma to offer advanced surgical procedures to children in need, and helped convert the Sugen paediatric centre into the UNM Children Hospital. This Hospital, developed in technical collaboration with Sheffield Hospital UK, boasts modern facilities with state-of-the-art equipment and is staffed by super specialist doctors.

Spread over an expansive 20-acre campus, the hospital offers a range of services including NICU and PICU, with absolutely free services for non-affording families and subsidised rates for others. The hospital also provides 24x7 emergency facility and free transportation to and from the surrounding area (Ghala Patiya to the hospital). With an advanced operation theatre (OT), the hospital is equipped for all types of complex surgeries. Special care is taken for infants and newborns, with the availability of special glass care.

780+
Surgeries during 2022-23, of which 50% are lifesaving critical surgeries

49%
Occupancy rate in less than a year

24x7
Emergency facility

Expanding Medical Services to More Lives

Torrent Pharma is focusing more on providing critical medical services and expanding our reach to more underprivileged people. Going forward, it has doubled the capacity of the neonatal intensive care unit (NICU) and paediatric intensive care unit (PICU) from 20 beds to 37 beds at UNM Children Hospital.

In addition, the Company will focus on stabilising operations and increase footfalls at new five additional PHCs that were added recently. Further, the Company wants to scale up medical facilities appropriately depending on the response across all the nine centres. The objective is to increase geographic reach to as many tribal and underprivileged populations as possible through medical services and outreach activities.



Social and Relationship Capital

Awareness Campaign Boosts Surgery Rate at UNM Children Hospital

Thanks to the constant efforts to increase awareness about the UNM Children Hospital and its services, the Company has been able to serve more beneficiaries than before. One such initiative was taken on Founder's Day 2023, when an information proliferation video titled "A Short Story of UNM Children Hospital & its Beneficiary" was made available to the public.

With the help of numerous Torrentians, the video became a movement and gained popularity among the masses, boosting surgery rates at the hospital. On an average, the Hospital is now performing over 7 surgeries per day, a significant increase from the previous average of 3 surgeries per day. This impact is a testament to the power of awareness campaigns and community support in improving healthcare access for those in need.

7

Average surgeries/day,
a significant increase from previous average of 3 surgeries/day





Sumangal – A Multi-disciplinary Clinic for All Age Groups

As part of its ongoing initiative to provide comprehensive healthcare services, Sumangal plays a crucial role in meeting the diverse needs of individuals across all age groups. Understanding the financial challenges faced by rural patients in accessing specialised healthcare, the Company took a progressive step in 2018. It undertook a multidisciplinary approach to offer comprehensive healthcare services and integrated various disciplines including dental, ophthalmology, dermatology, gynaecology, orthopaedics, and physiotherapy, into the scope of Sumangal's services.



Today, Sumangal caters to an average of 300 patients per day. Since its inception, Sumangal has conducted over 3,92,000 outpatient consultations, offering a wide range of services such as ENT, dental care, physiotherapy, pathology, radiology, and specialised consultations in ophthalmology, dermatology, gynaecology, etc.



Shiksha Setu: Bridging the Gap in Education

The Shiksha Setu programme was launched in 2011 with the goal of improving the quality of primary education in government and trust-sponsored schools. Using technological advancements, the programme aimed to bridge the gaps between teaching and learning processes. In Phase-II of the programme (i.e., from 2016-17 to 2021-22), it helped to enhance education standards in 13 schools located at Sugen, Chhatral, Chappi, Memadpur and Ahmedabad locations.

The programme had a significant impact on the professional development of teachers by enhancing their subject matter knowledge, soft skills and digital skills. The programme enabled teachers to adopt hybrid teaching methods, incorporating activity-based learning to make teaching and learning more effective. The training provided by the programme equipped teachers with the necessary digital skills to incorporate technology into their teaching practices.

The programme's emphasis on digital technology and interactive learning resulted in a significant improvement in motivation and interest in learning, making the experience more enjoyable and fulfilling for students.

The parents of the beneficiary students recognised the significance of digital devices and apps in improving their children's learning outcomes and providing them with opportunities for better education and future prospects that they themselves could not afford due to their socioeconomic circumstances. The programme was seen as a way of levelling the playing field for their children and bridging the educational gap between them and their more privileged peers.

Social Care and Concern

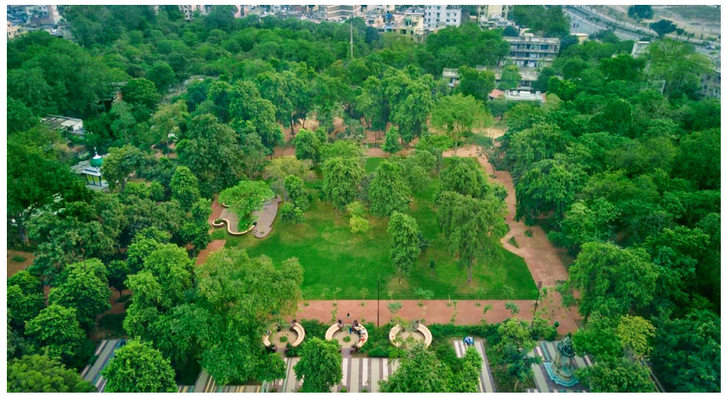
Pratiti:

Public Park Development

The Pratiti programme has made a remarkable progress in the redevelopment of public parks in Ahmedabad. The programme's objective is to provide citizens with accessible, sustainable green spaces for leisure and recreation. Torrent Pharma's team has successfully revamped nine parks in Ahmedabad, spanning a total area of around 98,000 square meters and opened for public use in last five years. Additionally, five parks measuring approx. 2,70,000 square meters have been taken for redevelopment in Ahmedabad.

6,000+
Daily footfall across the parks





Lake Development

The Company has also initiated development of two Lakes at Zolapur and Kesardi villages in Sanand and Bavla districts respectively for providing the citizens with basic facilities and recreational areas.

ShaishavMitrs – An Employee Volunteering Initiative

The Company values staff who shares its vision and values of creating positive social impact. Employees are encouraged to participate in the community engagement activities as 'ShaishavMitrs', a unique concept that enables them to volunteer their time, effort and skills to actively give back to society through the community development programmes.



Enhancing Relationship Capital

Torrent Pharma prioritises building strong relationships based on transparency, trust, open communication, and shared values. The commitment to sustaining respectful and beneficial connections with stakeholders drives the Company's business conduct. Its diverse value chain includes patients, healthcare professionals, channel partners, government entities, suppliers, shareholders, industry bodies, media, regulatory authorities, employees, and society.



Patients

The patient-centric business model, guided by the motto "Not Just Healthcare...Lifecare," ensures that patients' health is a top priority. The Company strives to provide high-quality, affordable medicines across therapeutic segments and geographies. Through targeted interactions, including clinical trials, it actively seeks customer feedback to enhance the product development. Torrent Pharma records, investigates, and addresses all customer complaints promptly, taking corrective actions to prevent recurrence. The transparent approach includes providing accurate information, promoting dosage compliance, and raising awareness about prescribed treatments.

To facilitate seamless communication, we have a dedicated email id (pv@torrentpharma.com) and feature on our website for lodging any product complaint or adverse event intimation. This helps in faster resolution of the complaints, thereby enhance trust with customers and patients.

Investors and Shareholders

Long-standing relationships are maintained with shareholders by consistently delivering superior returns and fostering transparency. Through conferences, roadshows, earnings calls, analyst meets, and proactive disclosures, the Company engages with the investor fraternity. The dedicated Investor Relations function facilitates direct discussions with management, ensuring their expectations are understood. Torrent Pharma values their feedback and keeps them informed about the strategic and operational developments.

Government Regulators and Industry Associations

The interactions with regulators and government bodies are characterised by transparency and compliance with applicable laws and regulations. The Company actively participates in industry associations and forums to improve processes, regulatory frameworks, and product quality. By advocating for the industry's needs, it contributes to policy development and position ourselves as a thought leader. The objective is to collaborate with the government in developing regulations that align with the economy's needs.

Healthcare Professionals

The Company recognises the importance of continuous medical education (CME) for healthcare professionals to enhance patient care and the healthcare system. Torrent Pharma's CME programs provides accurate information on therapeutic areas, interventions, and medical advancements. These programmes facilitate discussions on current standards of care, limitations, and emerging medical needs, increasing awareness and addressing local perceptions and threats.

Suppliers and Vendors

The Company maintains a cordial and professional relationship with the suppliers, who play a critical role in ensuring a continuous supply of APIs and other materials. The supply chain management focuses on risk reduction, product quality improvement, and overall performance. The Company engages with suppliers to educate them on responsible and sustainable practices, conducting audits and capacity-building programmes. Torrent Pharma adheres to stringent quality audit processes while selecting and retaining suppliers, guided by our well-established Supplier Code of Conduct

Natural Capital

Contributing to a Cleaner, Better Tomorrow

The commitment to environmental sustainability is guided by the core value of "CONCERN FOR SOCIETY & ENVIRONMENT." Torrent Pharma strives to produce more with fewer resources, employing state-of-the-art technology and reducing waste. To enhance its positive impact on the environment, the Company has identified three key areas: Carbon Emissions and Energy Management, Water Stewardship, and Waste Management.

Stakeholders in Focus

- Investors and Shareholders
- Employees
- Communities
- Government and Regulators

Materials Issues Addressed

M3 M4 M7 M8

Strategic Themes

ST3 ST6

UN SDGs Aligned

6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

Sustainability Roadmap

Torrent Pharma understands the importance of environmental sustainability and is committed to complying with environmental laws and regulations. The Company is taking steps to reduce its environmental impact and make progress towards sustainability goals. As part of its sustainability roadmap, Torrent Pharma has a target of 1.5 degrees SBTi, and it is proud to have taken significant actions towards this goal.

Highlights

6.3%
Reduction in energy consumption from 2021-22

64%
of total waste generated being recycled in 2022-23

3.74%
Reduction in emissions (including Scope 1 and Scope 2) from 2021-22

Strategic Focus Areas	Targets	Progress with KPIs
Carbon Emission and Energy Management	• Reduce 21% Scope 1 and Scope 2 emissions from 2020 levels • Estimate 100% Scope 3 Emissions	• Set up of hybrid renewable energy generation station (Solar+Wind): Operational by 2023-24 • Briquette Boiler: For Indrad, Dahej, and Baddi-Operational by 2023-24 • Heat Pump: Operational at Indrad and Baddi. Target for Dahej in 2023-24 • Rationalisation in power demand at sites • Recycling of steam condensate
Water Stewardship	Reduce freshwater withdrawal by 25%	• Water audit conducted at Indrad, R&D and Baddi • Rainwater used 50,000+ KL at Dahej and 50,000+KL recharge in ground at Indrad, Bileshwarpura, R&D. • Water conservation campaign initiated at each location • Control of consumption through metering • Recycling of steam condensate • Waterless urinals • Reuse of Utility RO reject • Rationalisation of cooling tower blowdown
Waste Management	Promote Circular Economy through recycling of 100% of non-hazardous waste	• 100 % Non-hazardous waste is sent for recycling

Carbon Emission and Energy Management

One of its key focus areas is reducing carbon footprint and increasing the use of renewable energy in our overall energy mix. The Company has a target of reducing Scope 1 and Scope 2 emissions by 21% from 2020 levels. To achieve this, it is implementing a range of initiatives, including reducing dependency on fossil fuels, using energy-efficient technologies, and minimising the use of non-renewable sources of energy.

To ensure this, Torrent Pharma has established air-quality monitoring initiatives and a continuous emission-monitoring system to help reduce emissions. The Company has reduced the use of fossil fuels and have set scope 1 and 2 emission targets through renewable energy. Fossil fuels are being replaced with biomass at the Indrad, Dahej, and Baddi facilities in the coming years.



Energy Efficiency Efforts

Torrent Pharma has been working towards enhancing energy efficiency in its operations, and the Company has established a robust monitoring system of Scope 1 and 2 emissions. The major contributors to these emissions are the fuels combusted in boilers, cafeterias, D.G. sets, and purchased electricity. The Company's data-management system records and documents fuel and electricity consumption.

Natural Capital

Renewable Energy and Other Initiatives

During the year, the Company has met its core objective of reducing its carbon footprint by making efficient use of resources in its business operations. It has taken following steps for conservation of energy:

- Set up of two numbers of 2.7 MW each wind mills and 5.0 MW AC solar power plant at Kalavad of Jamnagar district, Gujarat. The annual renewable generation would be 2.88 crores KWH, contributing 30% out of total electricity consumption at Indrad, Bileshwarpura and R&D Centre. This initiative will result in an annual cost saving of ₹17.0 crores.
- Set up of Biomass Briquette boiler at Indrad, Dahej and Baddi manufacturing facilities with annual saving of ₹13 crores.
- Set up of heat pump at Baddi manufacturing facility with annual saving of ₹1.5 crores.
- Efficiency improvement in HVAC, chillers, pumps at Indrad and Baddi plant with annual energy saving of| 13.5 lakhs KWH (₹1.06 crores).
- Power factor correction measures implemented to maintain unity power factor, resulting in a total annual cost saving of ₹75 lakhs including, ₹51 lakhs at Indrad, ₹1.4 lakhs at R&D centre, ₹3.0 lakhs at Vizag and ₹20 lakhs at Sikkim.
- PLL/conventional lamps were replaced with LED and energy efficient fans at various areas of R&D Centre, resulting in annual energy saving of 20,00 KWH (₹1.70 lakhs).
- Efficiency improvement in operation by rationalising the peak power demand at Vizag and Baddi, resulting in annual saving of ₹20 lakhs
- Recycling of steam condensate at Baddi would result in annual saving of ₹80 lakhs.
- Alternate power supply of 5 MW taken from other sub-station at Sikkim which saved HSD in DG operation, resulting in annual saving of ₹2 crores.
- Solar rooftop renewable energy generation at Indrad, Bileswarpura and R&D Centre is 21 lakhs KWH.

Utilising Alternate Energy Sources

The commitment to utilising alternative energy sources remains strong as the Company moves forward towards a sustainable future. The investments in wind power, solar energy and biomass briquette boiler at different sites helped it to diversify the energy portfolio and promote sustainable practices. With these initiatives, it aims to create a cleaner and greener environment while reducing reliance on fossil fuels.

Capital Investment on Energy Conservation Equipment

- Briquette fired boiler at Indrad, Dahej and Baddi manufacturing facilities with an investment of more than ₹35 crores
- Hybrid power including solar and wind generation for Indrad manufacturing facility, Bileshwarpura project site and R&D Centre with investment of ₹85 crores.

ISO 50001 Certification

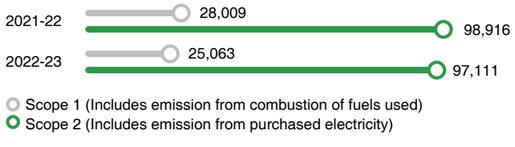
Three of our sites are certified for ISO 50001 (Energy Management System), and the Company conducts yearly audits and takes up improvement plans.

Carbon Emission Monitoring

Torrent Pharma's operations consider energy management in its business planning and implements technology and to reduce energy consumption. The Company focuses on consistently monitoring the carbon emissions generated and has updated its methodology to calculate the same. The Company has enhanced its data capturing mechanism to ensure transparent reporting. The emissions in 2022-23 decreased by 3.74% from last year primarily due to efforts put in improvements.

The Company has been making progress towards its sustainability goals. As of 2023, a 12% reduction in Scope 1 and Scope 2 emissions has been achieved from 2020 levels.

GHG Emission Profile (in tCO_2 eq.)







Emission Reduction Process

Torrent Pharma acknowledges the significance of minimising carbon emissions stemming from its operations and are dedicated to pursuing this objective diligently. To monitor the progress, the Company has established a robust system that maps the sources of emissions and calculates the relevant carbon emissions.

Once identified, it focuses its efforts on reducing these emissions. To achieve this, the Company prioritises on reducing dependency on fossil fuels and enhancing using renewable energy/green fuel. It also implements energy-efficient technologies to reduce carbon footprint.

By taking these measures, the Company aims to contribute to a sustainable future and reduce the impact of its operations on the environment.

- Map and Monitor Carbon Emission
- Reduce Dependency on Conventional Energy forms
- Increase Use of Renewable Energy
- Introduce energy efficient technologies

Energy Consumption Data (in tCO_2e)

	Type of Fuel	2021-22	2022-23
NON-RENEWABLE SOURCES			
Boilers	Natural Gas	80.930	65,787
	Furnace Oil	1,12,208	92,087
	High Speed Diesel	10,389	7,488
	Light Diesel	32,321	40,625
	Low Sulphur Heavy Stock (LSHS)	1,15,619	1,07,027
DG Set	High Speed Diesel	36,038	25,986
Electricity	Grid Electricity	4,50,758	4,42,530
RENEWABLE SOURCES			
Electricity	Solar Electricity	7,921	8,022
BIOFUELS			
Boiler	Briquette	9,530	12,225
Cafeteria	Biofuel	165	176
Total		**8,55,879**	**8,01,953**

Air Emissions Reduction Initiatives and Monitoring

Torrent Pharma recognises the importance of controlling air emissions in its manufacturing facilities and has taken proactive measures to reduce them. The Company has implemented several strategies, including the use of green fuel in boilers, installation of renewable energy stations, installation of primary and secondary condensers, and nitrogen blanketing at solvent storage tanks and installation of scrubbers to control VOC emissions. condensers on reactors for online recovery of solvents and scrubbers to control VOC emissions.

Furthermore, the Company has enhanced its air emissions calculations methodology 2022-23, and the data for SOx and NOx emissions is provided in the table below. Torrent Pharma has successfully reduced 10.22% of SOx and 18.85% NOx emissions by using Bio fuels, low sulphur containing fuels, such as Natural Gas and LSHS (Low Sulphur Heavy Stock), in its operations.

To ensure effective monitoring of air quality, Torrent Pharma has established a continuous emission-monitoring system for several plants and built an online emissions monitoring system for process gases at Dahej. Online VOC monitoring has also been established at Dahej and Vizag. The Company is monitoring ambient air in accordance with the national ambient air monitoring notification of 2009, with in-house SOPs in place. Third-party monitoring is performed on a monthly basis by a government-approved various government approved laboratories.

Air Emissions (in MT)

Emission Type	2021-22	2022-23
SOx	243.11	218.26
NOx	64.70	52.50

Water Stewardship

Water is a valuable resource, and we are committed to using it responsibly. We monitor our water usage and have installed water-efficient systems to reduce consumption. We have conducted comprehensive water audit across our various plants on regular basis. Our goal is to reduce freshwater withdrawal by 25% by 2024-25. To achieve this target, we have implemented initiatives such as water treatment and rainwater harvesting.

We have also reduced our freshwater withdrawal by 0.20% since 2019-20, and we are on track to achieve our target of a 25% reduction by 2024-25.

We have implemented a range of water management initiatives, including water treatment, rainwater harvesting, and utilising a substantial quantity of rainwater sourced from our dedicated collection pond. Additionally, we leverage the benefits of effluent and sewage treatment systems to further optimise our water usage. We monitor our water stewardship parameters, including water withdrawal, recycle, discharge, and consumption.

Water Conservation Measures

To limit water usage and reduce dependency on freshwater, Torrent Pharma has implemented several water-efficient designs. The Company has efficient water recycling systems in water-stressed areas such as Bileshwarpura, Indrad, Pithampur, and R&D. The water-efficient designs limit the amount of water utilised in different operations, and water usage monitoring across units enables Torrent Pharma to strategise the reduction efforts. Additionally, the Company has installed touch-free sensor taps, waterless urinals, and digital meters to monitor water consumption on a daily basis.





Effluent Treatment Measures

Torrent Pharma has separate Effluent Treatment Plants (ETPs) for API and Formulation facilities in Indrad and Dahej. A three-stage effluent recycling RO system was installed at Indrad and Dahej, achieving over 90% recovery, respectively, which is considered among the best in the industry. High-quality permeate from ETP RO is fully reused for utility operations. The sewage water systems installed at Torrent Pharma are based on SBT technology, which is chemical-free and far more environmentally friendly than traditional STP systems.

Water Stewardship Monitoring

Torrent Pharma consistently monitors its water stewardship parameters, including water withdrawal, recycle, discharge, and consumption. To further optimise and improve water savings, Torrent Pharma intends to take suitable measures in future.

Water Stewardship Data

Emission Type	2021-22	2022-23
Surface Water	0.790	0.782
Ground Water	0.255	0.264
Total Water Withdrawal	**1.045**	**1.046**
Water Recycled and Reused	0.462	0.428
Treated Water Discharged	0.099	0.096
Water Consumption	0.947	0.950

Regulatory Compliance

The Company is not only maintaining its regulatory requirements as envisaged by the Central Ground Water Authority but has also taken ownership for reducing water consumption with efficient recycling. The ETPs and RO system allow more than 80% reuse of recycled water for utility and horticulture purposes.

Waste Management

We understand the importance of responsible waste management, and we have implemented key waste management systems. We send non-hazardous waste to recyclers and our goal is to achieve zero waste to landfill. We have taken measures to reduce waste sent to landfill.

Waste Reduction Initiatives

Torrent Pharma has placed significant efforts towards integrating circular economy concepts in its waste management processes. Robust mechanisms developed by the Company to reduce the amount of waste sent to landfill. The Company has also enhanced its recycling capabilities by sending the waste to registered recyclers as the preferred mode of disposal, resulting in 64% of the total waste generated being recycled.

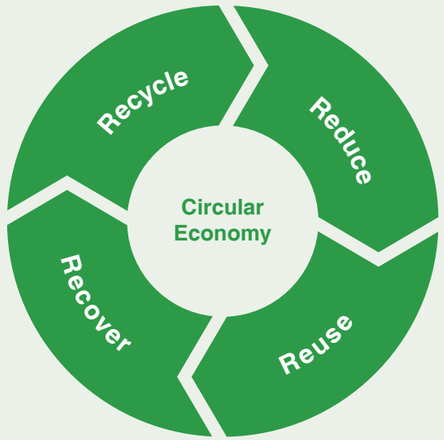
Natural Capital

Take-Back Programme and Collaboration with Waste Management Agencies

As a registered Brand Owner complying with laws, Torrent Pharma has a take-back programme in place to collect plastic waste from PAN India. The quantity collected is equivalent to 70% of its post-consumer waste as per obligation. The Company collaborates with various waste management agencies to manage the waste. Plastic waste is collected from the market through the involvement of urban local bodies, waste pickers, and scrap aggregators, ensuring a comprehensive approach that transcends specific brand affiliations. The collected plastic waste is responsibly disposed of through recycling, co-processing, or energy recovery in waste-to-energy plants. Hazardous waste, e-waste, used batteries and biomedical waste are also managed and disposed of in a compliant manner through State Pollution Control Board registered vendors.

4R Approach and Waste Management Hierarchy

Torrent Pharma aspires to become "zero waste to landfill" and has adopted the 4R philosophy - Reuse, Reduce, Recover, and Recycle to achieve this goal. The Company follows a robust waste management hierarchy aligned with the concept of circular economy.



The Company believes that effective waste management can lead to a healthier environment, and through its take-back programme, collaboration with waste management agencies, and adoption of the 4R philosophy, Torrent Pharma is taking proactive steps towards achieving its zero-waste-to-landfill goal.



Waste Generation and Disposal Data (in MT)

Waste Category	Disposable Methods	2021-22	2022-23
Biomedical Waste	Incineration	47.27	47.29
Plastic Waste	Recycling	323.00	268.00
	Co-processing	693.00	576.00
Solid Non-Hazardous Waste	Recycling	1,807.26	2,326.07
E-Waste	Recycling	3.68	10.88
Battery Waste	Recycling	20.87	8.81
Solid Hazardous Waste	Incineration Co-processing TSDF Landfilling Recycling	147.55 1,087.99 588.37 1,708.00	115.40 980.35 649.37 1,642.85
Total Waste		**6,426.99**	**6,625.02**

Sustainable Packaging and Plastic Waste Management

Torrent Pharma is committed to integrating sustainability in every stage of our product life cycle. From research and development to production, packaging and disposal, we strive to promote responsible environmental practices.

To manage leftover plastic waste after consumption, the Company works in collaboration with various stakeholders to ensure appropriate disposal treatment. The key initiatives in sustainable packaging include designing smaller packaging to improve patient mobility, compliance, and adherence. This approach requires less warehousing, transportation, and shelf space. Through our efforts, we have successfully reduced pack size by up to ~5-6% by switching products from strip to blister packaging.

The Company also creates blister pack drawings that make the most of the available space and use process automation to reduce packing time.

Proper packaging and delivery also help to reduce product returns.

The Company is committed to avoiding the use of single-use plastic in its operations and premises to bolster commitment to sustainability.



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DIRECTORS' REPORT

To,
The Shareholders

The Directors have the pleasure of presenting the Fiftieth Annual Report of your Company together with the Audited Financial Statement for the year ended 31st March, 2023.

HIGHLIGHTS

1. Expanding Horizons, Deepening Trust:
    - The Company has made incremental investments in its branded business segment for augmenting growth and improving market share over the next few years.
    - Acquisition of Curatio Health Care (I) Private Limited ("Curatio"), expansion of field force in India and Brazil to complement new launch focus and expand the customer coverage, strategic alliance with Boehringer Ingelheim India Private Limited ("Boehringer Ingelheim India") to co-market its anti-diabetic drug and its fixed dose combination in India, investments in new branded generic markets have been some of the important incremental capital allocations during the year.
    - The Company invested in Hybrid Solar-Wind Power project, to meet its captive power requirements. The project will act as key catalyst in reducing the Company's carbon footprints, which is one of key pillars of our ESG roadmap.
2. India business:
    - Mergers & acquisitions: During the year, the Company acquired 100% of equity share capital of Curatio, positioning itself as the largest player in Cosmetic Dermatology and improving its ranking within overall dermatology therapy to 7th. The acquisition will enable the Company to tap into high-growth opportunities in the Derma; more importantly, the Cosmo Derma segment. Curatio is a fast growing portfolio with underlying market growing by ~16% i.e. ~1.6 times of the growth of Indian Pharmaceutical Market (IPM). The integration strategy entails a blend of revenues, cost and margin synergies. With little less than 2 quarters of integration during the year, the Company has already started leveraging and realizing these synergies.
    - Market outperformance: As per secondary market data (AIOCD), the Company's growth (including growth of Curatio portfolio) for 2022-23, was 16% versus IPM growth of 9%. Growth was aided by strong performance of top brands, new launch momentum, market share gain in focus therapies and growth synergies bolstered by integration of Curatio Portfolio.
    - Field force expansion: During the year, the Company has expanded field force to complement its new launches and selectively expand its reach amongst Consulting Physicians and General Practitioners. At the end of 2022-23, total number of field force stood at 5,500 (including field force from Curatio portfolio).
    - Strategic alliance: With an objective of fortifying our presence in anti-diabetic and cardiovascular therapeutic segments, the Company entered into a strategic alliance with Boehringer Ingelheim India for in-licensing and co-marketing of novel SGLT-2 anti-diabetic medications in India viz. Empagliflozin & Combinations.
    - OTC foray: By the end of financial year, the Company has also forayed in to Over-the-Counter ('OTC') segment by launching Shelcal 500 on the OTC platform. As a part of its OTC expansion strategy, the Company shall gradually add more brands to the OTC platform.
    - IPM ranking: With the acquisition of Curatio and consistent market share gain in base business, the Company's IPM rank has gained 2 ranks and now the Company is the 6th largest player in the IPM (2021-22: 8th).
    - The Company's growth levers includes - Continued market outperformance, new launches, in-clinic effectiveness and implementation of synergies from acquired portfolio.
3. Brazil business:
    - The Company continues to be ranked no. 1 Indian Pharmaceutical Company in Brazil.
    - In 2022-23, Brazil registered a growth of 26% (BRL growth of 14%). Brazil saw all round performance with improvement in market share of existing portfolio, decent / competitive share in the new product launches and the generic segment scaling up very fast.
    - The Company launched six products in the CNS, diabetic and cardio segments with Rivaroxaban and Desvenlafaxine being the two biggest success.
    - The Company has expanded its field force by ~40 representatives, with an objective to expand its market coverage as well as complement new launches.
    - The Company's plan is to enhance coverage in the CNS and Cardio markets over the medium term through calibrated expansion in field force, continued expansion of product portfolio and steady improvement in in-clinic effectiveness. We also plan to foray in to newer therapy in near to medium term.
4. Germany business:
    - The Company is ranked no. 5 generic company and no. 1 Indian Pharmaceutical Company in Germany.
    - The Company has seen sequential growth recovery from H2 of 2022-23 with new tender wins and better growth in the non-tender segments.
    - The Company's focus areas will include working on cost efficiency efforts to improve its market share in the tender segment, expanding non-tender segment & developing new segments.
5. US business:
    - In 2022-23, US registered flattish growth due to lack of new product approvals pending USFDA clearance of Company's Manufacturing facilities at Indrad and Dahej. The Company is fully committed to maintaining highest quality standards and has been continuously engaging with regulatory authorities to meet with their expectations.
    - The legacy portfolio continued to be impacted by price erosion of mid to high single digit.
    - At end of year, 46 ANDAs were pending approval with USFDA and 3 tentative approvals were received. During the year, 5 ANDAs were filed.
6. Rest of the World:
    - ROW markets registered strong growth trends.
    - The Company shall continue to invest in ROW markets, with an objective to develop them as growth engines for future.
7. Manufacturing:
    - State-of-the-art Oral Oncology manufacturing facility [Gujarat], which will cater to both regulated and non-regulated markets, was inspected by USFDA and the Company has received its first product approval from the facility.
8. Financial performance:
    - In 2022-23, the Company registered strong revenue growth of 13% and Operating EBITDA growth of 17%.
    - In 2022-23, Operating EBITDA margins were 30% versus 29% in 2021-22.
    - 2022-23 witnessed strong performance led by Branded Generic markets and sustained improvement in profitability aided by higher BGx share, operating leverage, cost efficiencies and margin synergies from the acquired portfolio.
    - At end of 2022-23, leverage in terms of Net debt to EBITDA stands at 1.6x.

FINANCIAL RESULTS

The summary of Standalone (Company) and Consolidated (Company and its subsidiaries) operating results for the year and appropriation of divisible profit is given below:

(₹ in crores except per share data)

	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Sales & Operating Income	7,695	6,742	9,620	8,508
Profit Before Depreciation, Net Finance Cost, Exceptional Items & Tax	2,545	2,301	2,883	2,621
Less: Depreciation & Amortization	672	602	707	662
Less: Net Finance Cost	296	233	329	248
Profit Before Exceptional Items & Tax	1,577	1,466	1,847	1,711
Less: Exceptional Items	-	-	-	485
Less: Tax Expense	526	475	602	449
Net Profit for the Year	1,051	991	1,245	777
Balance brought forward	3,213	2,900	2,917	2,807
Other Comprehensive income and other adjustments	(7)	(1)	4	10
Balance available for appropriation	4,257	3,890	4,166	3,594
Appropriated as under:				
Transfer to General Reserve	-	-	-	-
Dividend	863	677	863	677
Tax on Distributed Profits for Dividend	-	-	-	-
Balance Carried Forward	3,394	3,213	3,303	2,917
Earnings Per Share (₹ per share)	31.07	29.29	36.79	22.96

Consolidated Operating Results

The consolidated sales and operating income increased to ₹ 9,620 crores from ₹ 8,508 crores in the previous year showing a growth of 13%. The consolidated operating profit for the year was ₹ 2,883 crores as against ₹ 2,621 crores in the previous year registering growth of 10%. The consolidated net profit stood at ₹ 1,245 crores compared to ₹ 777 crores in the previous year registering growth of 60%.

Management Discussion and Analysis (MDA)

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

APPROPRIATIONS

i) Dividend

The Board in its meeting held on 30th May, 2023 revised the Dividend Distribution Policy. The Company will now endeavor to distribute 50% of its annual consolidated net profit after tax without taking into account non-cash charges relating to the business acquisitions. The revised policy is available on the website **http://www.torrentpharma.com/pdf/investors/Dividend_Policy.pdf**

During the year under review, an interim dividend of ₹ 14/- per equity share of face value of ₹ 5/- each (@ 280%) amounting to ₹ 474 crores was paid to the shareholders. Further the Board considered it prudent to recommend the final dividend for 2022-23 as per the revised Dividend Distribution Policy and accordingly recommended a final dividend of ₹ 8/- per equity share of face value of ₹ 5/- each (@ 160%) amounting to ₹ 271 crores for approval of shareholders at the 50th Annual General Meeting (AGM) of the Company. Hence, the total dividend paid / payable with respect to the year under review was of ₹ 22/- per equity share (@ 440%) amounting to ₹ 745 crores.

ii) Transfer to Reserves

The Board of Directors of the Company has decided not to transfer any amount to the reserves for the year under review.

HUMAN RESOURCES

At Torrent Pharma, Human Resources are considered the Company's most valuable assets and its growth would not have been possible without the commitment, loyalty and hard work put up by its employees at all levels. In order to sustain this, we continue to build competencies to embrace the new skills for a sustainable future. This has enabled the Company to develop an inclusive organization that is multicultural and inspires a sense of satisfaction and belonging in its employees. We believe that the Company's success is the result of the combined efforts of all its employees. During the year, the Company took several initiatives to increase organizational performance and productivity in order to be value-driven and future-ready. With the acquisition of Curatio, Human Resources Department has continued to arrange various training and development programs that have helped smooth transition for all employees of Curatio in embracing the culture of Torrent. In addition, Managers from field and Corporate Office are provided continuous training to sharpen and understand new managerial skills.

The Company is committed to provide a safe and healthy working environment and achieving an injury and illness free work place. Economic considerations do not take precedence over the implementation of health and safety measures. While safety is everyone's primary responsibility, at Torrent Pharma, leaders take the lead in exhibiting visible commitment to health and safety.

All lead and lag incidents are reported through an incident reporting system. The system has well-established procedures for reporting incidents, investigations, determining corrective actions and improvements and a non-retaliatory mechanism for employees and contract staff to report incidents.

Through cadre and capability building efforts, we remain focused on strengthening our talent processes and building the talent pipeline for the organization. Significant efforts have been made to strengthen our leadership and hire the best talent available. These have helped to bring a new perspective and energy to the organization. Our training and development activities also provided impetus for the development of talent and for sharpening new management skills amongst employees.

In order to promote a sense of togetherness among employees, the Company has taken various initiatives such as SAMPARK, where management regularly interacts with new employees. This initiative is divided into three cycles that provide employees with Orientation program, Comfort rating, and employees' futuristic approach to the organization. Aside from coaching and mentoring, which make an employee more valuable to your organization by developing and improving their skills both professionally and personally, our other initiatives such as Sahyog, Baat-cheet and uCoffee sessions also help employees to learn new skills.

The Company recognizes that safety is everyone's responsibility and that to foster a culture of safety, all of our employees must consider how their actions affect others and our workplace, and engage in meaningful, open and respectful advice on health issues. Various women-friendly initiatives such as day care centers and flexi timings support female employees in pursuing their careers, among other things.

The Company will continue to invest in the professional development of its employees and instill in them the importance of responsible growth. As a result, they recognize that their success depends on providing innovative solutions to patient needs, community betterment and environmental protection.

The Company has a diverse workforce of 13,573 employees as on 31st March, 2023 vis-à-vis 12,910 employees as on 31st March, 2022.

VIGIL MECHANISM

Over the years, the Company has earned a reputation for conducting its business with honesty and integrity and has zero tolerance to any form of unethical behavior or misconduct. The Organization has a rigorous reporting system for reporting unethical behavior to promote professionalism, fairness, dignity and ethical behavior by all of its employees and stakeholders, details of which are covered in the Corporate Governance Report.

The system also protects employees who use the whistle blower mechanism and grant them direct access to the Audit Committee. In addition, the Company's Code of Business Conduct which lays down the important corporate ethical practices that shapes the Company's business practices and represent the Company's valued principles.

Whistle-blower Policy and Code of Business Conduct have been hosted on the Company's website **www.torrentpharma.com**.

In accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder, the Company has formulated a Policy on protection of women against sexual harassment at workplace. In this context, the Company regularly organizes a series of interactive awareness workshops for its employees. The Company has complied with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 relating to the formation of Internal Complaints Committee. During the year, no complaints were received under this policy.

In addition, the Company has rolled out Human Rights Policy defining the guiding principles for respecting and protecting the Human Rights across the Company's operations.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR Activities undertaken by the Company were under the thrust areas of Community Healthcare, Sanitation & Hygiene, Education & Knowledge Enhancement and Social Care & Concern. During the year, the Company was required to spend ₹ 26.50 crores (2% of the average net profit of the past three financial years and surplus arising at implementing agency level from temporary investment of funds for FY 2021-22). The Company contributed to implementing agency ₹ 24.96 crores during the year. The total amount spent during the year was ₹ 22.96 crores. Further, the unspent amount at the end of the year was transferred to "Unspent CSR Account" of related ongoing projects at the implementing agency level. The Board in its meeting held on 30th May, 2023 revised the existing CSR Policy of the Company to harmonize with the amendments carried out by the Ministry of Corporate Affairs in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The brief details of the major CSR activities are described hereunder:

REACH: Driven by the belief of Chairman Emeritus, Sudhir Mehta **'Children are the future of our nation and this future must be well preserved'**, the flagship CSR program of the Group "REACH" – Reach EAch CHild was initiated in the year 2016 under the aegis of UNM Foundation, a Section 8 Company. REACH has three major pillars: **(a) Grass Root Interventions (b) Green Field Actions and (c) Other Allied Initiatives.** Salient achievements are:

- ### Grassroot Interventions:

  It targets to establish baseline health status of children in age group of 6 months to 6 years, through medical camps in villages around Surat, Dahej, Indrad and Balasinor. In Pre-Covid period, over 71,000 children were screened in 351 villages. Post-covid, an additional 649 villages were covered, addressing malnutrition in over 7,500 children with Mauji biscuits, bringing the total to 1,000 villages and over 78,000 children. Appropriate treatment regime resulted in benefiting more than 69% Malnourished children and more than 90% anaemic children. About 73% children having other ailments were also provided appropriate treatment with encouraging outcomes.

  During the year, for the 1000 villages covered, fresh baseline medical camps were organized to identify underweight malnourished and anaemic children across all four locations. 748 villages have been covered and more than 37,000 children have been screened. Supplement distribution and follow-up activities for identified malnourished and anaemic children are ongoing.

  In order to expand the coverage of REACH initiative, started conducting baseline medical camps in Banaskantha and Radhanpur in Gujarat and more than 7,300 children have been screened in 238 villages across these two locations.

  Pilot projects have also been started in Agra, Bhiwandi and Union Territory of Dadra and Nagar Haveli. 14 villages are covered and more than 500 children have been screened across these three locations.

  Till FY 2022-23, on cumulative basis, more than 1,24,000 children of 1,252 villages are screened. Baseline screening camps in villages and subsequent follow-up activities continue.

- ### Greenfield Actions:

  Healthcare services are provided to children up to 18 years. There are 3 Pediatric Health Centres (PHCs) with basic laboratory and day-care facility at Dahej, Balasinor and Indrad, while fourth major centre near Sugen Power Plant has a 150 bed paediatric hospital 'UNM Children Hospital' which is part of 'Rangtarang' complex started in FY 2019-20. In FY 2022-23, more than 94,000 OPDs have been carried out across all 4 locations.

  Further, 2 PHCs have been started at Waghai and Chhapi during FY 2021-22 and 3 PHCs have been started at Dediapada, Naswadi and Radhanpur during FY 2022-23. Regular OPDs are conducted at Waghai, Dediapada and Chhapi while weekly OPDs are conducted at Naswadi and Radhanpur. In FY 2022 23, more than 14,000 OPDs had been carried out across these PHCs.

  These PHCs will be scaled up appropriately in future depending on feedback as well as demand of health care services from the respective local population.

  In FY 2022-23, more than 1,00,000 OPDs had been carried out across all 9 locations. Cumulative OPDs are more than 4,34,000 till 31st March, 2023 across all locations.

- ### Other Allied Initiatives:

  Counselling and Support was provided to rural adolescent girls around Sugen, Dahej & Indrad centres covering menstrual hygiene and sanitation, by providing sanitary napkins absolutely free of cost to the beneficiaries. This has resulted in reducing prevalent social taboos and ultimately increasing confidence and self-esteem amongst beneficiaries.

  During the year, based on encouraging feedback of pilot experiment for biodegradable and reusable sanitary napkins, more than 27,000 beneficiaries of 615 villages have been switched over to such napkins. More than 7,800 beneficiaries of 167 villages were enrolled and provided regular sanitary napkins on monthly basis.

  More than 35,000 beneficiaries have been covered in 800 villages across Sugen, Dahej & Indrad centers. More than 28,000 beneficiaries of 633 villages have been switched to Bio-degradable reusable sanitary napkins

- ### UNM Children Hospital:

  Previously known as Balsangam, the hospital underwent a name change to UNM Children's Hospital in October, 2022. Towards expanding its operations, the focus has been to offer regular as well as complex surgeries.

  In FY 2022-23, more than 44,000 OPD consultations for children were done culminating into an average of 142 per day as opposed to 37 average per day in FY 2021-22. More than 1,400 IPD cases handled during the year.

  A total of 209 patients were served through the Neo-natal ICU (NICU) and Paediatric ICU (PICU) for their critical conditions. Looking to the continuous growing need, the capacities of the NICU and PICU were enhanced in February, 2023.

  The Hospital handled more than 700 surgeries in FY 2022-23, which included major and supra- major operations.

  Facilities and services offered under UNM Children Hospital have been enhanced to cover paediatric super specialties like Ophthalmology, Orthopaedic, Neurology, Plastic surgery, Endocrinology, Haematology, and Pulmonology. The number of visiting Doctors in FY 2022-23 have been increased to 27 covering a total of 14 speciality disciplines.

  To spread awareness of the hospital, various camps were organized in village schools and temples, targeting areas with less healthcare facilities like Vankal (Mangrol), Sutharvada, Kalwada (Near Valsad), Kamrej, Vyara etc. Team of Doctors screen children and provide treatment. In appropriate cases, counselling is also provided to them. Awareness campaigns have also been done via newspapers, leaflets distribution, radio advertisement, hoardings, community meetings, etc.

  Through Founder's Day documentary and video clip regarding hospital subsequently circulated, we could reach out to patients from Pan India, and have recorded 157 patients coming to the hospital for treatment, of which 25 were operated upon in the hospital.

Pratiti - Development of Public Parks: The Pratiti initiative is supported & funded by the UNM Foundation and all the gardens are designed and developed with a mission to provide the best environmental conditions to live in, by providing the citizens with recreational areas by creating parks, gardens, ponds, and lakes near their neighborhood with reduced level of air and noise pollution by improving micro-alignment at the city level and to recharge groundwater through ponds and lakes.

The Company along with one of India's best known landscape design firms developed an approach for development of urban public parks. In Ahmedabad, total 9 nos. of parks measuring more than 98,000 sq. mt. area were fully developed and opened for Public use in last five years. Further, 5 parks admeasuring approx. 2,70,000 sq. mts have been taken for redevelopment by the Company in Ahmedabad.

Lake Development: The Company has also taken two Lakes for development at Zolapur and Kesardi villages in Sanand and Bavla districts respectively for providing the citizens with basic facilities and recreational areas. The major activities to be undertaken include refurbishing of crematorium, community hall & surrounding area near by temple, development of gazebo with siting arrangement, children play area, open gym area and Green belt development with walking track. In addition to above, the Company continued other social activities during the year, as described here under.

Community Healthcare: Post COVID-19, the OPD and day care clinic "Sumangal", part of the 'Rangtarang' hospital complex, has also been scaled up and caters to the communities and villages around. The footfalls at "Sumangal" are now about 300 patients per day. Cumulatively, more than 3,92,000 OPDs have been carried out till March, 2023. Services being provided include ENT, Dental Care, Physiotherapy, Pathology and Radiology facilities and special consultations in ophthalmology, dermatology, gynaecology etc.

The Report on CSR activities is annexed herewith as **Annexure B.**

ENVIRONMENT, HEALTH & SAFETY (HSE)

The Pharmaceutical industry is unique as it faces ethical dilemmas distinct from other industries. Given the evolving global regulatory environment & Safety, there is substantial increase in regulatory scrutiny and stakeholder expectations.

Environment (E), Health (H) and Safety (S), HSE is an abbreviation for the set that studies and implements the practical aspects of protecting the environment and maintaining health and safety at occupation. We have made it a cornerstone of our mindset at Torrent Pharma to have a mission Zero Accidents for health and safety of our workforce. In simple terms, Organization goes beyond the statutory call to ensure that our activities do not cause harm to anyone in any aspects.

We believe HSE Management Systems are attributing to our sustainable business growth and we continuously strive to embed HSE in every aspect of the business way beyond compliance.

We have well defined HSE Policy, applicable uniformly across the organization. HSE Policy affirms by top management depicts the clear vision and reiterating commitment in totality for adopting safe, secure and sustainable practices for its day to day operations.

The HSE Policy covers the fundamentals of not only complying with the regulatory requirements but also excelling in improving the HSE performance through continual improvement and regular & focused efforts are made to ensure a safe and healthy work environment for our employees. Our facilities are designed in accordance with the highest safety standards and state-of the-art safety controls for all our employees to generate awareness and nurture individual responsibility towards health and safety practices.

The governance and execution of the HSE management system, along with the mitigation plan for critical HSE risks, Environmental sustainability aspects come under the purview of Torrent HSE Leadership and site leadership team. Line functions implement sustainability initiatives in alignment with local HSE procedures based on corporate HSE standards and guidelines.

We have sustainability data management system to capture environmental sustainability parameters for strengthening integrity and completeness of data. The accuracy of data is assured by providing controls at different levels of data reported at site, which are reviewed by respective site HSE heads and approved by the site heads.

Our constant and focused endeavours in HSE domain like adopting various digitalization in our prevailing HSE practices like Online portal for reporting Unsafe Act / Conditions and Incidents with Corrective and Preventive actions, Continual Safety training and counselling on Technical and behavioural approach, Organizing various HSE Campaigns, Internal and External Safety Inspections & audits have contributed substantially to bring down incident rates and thus leading to sustainable, safe and healthy working environment for our work force and other Stakeholders. Health and Safety training is provided to all employees and contract workers on a regular basis by external and internal HSE Specialist. To foster a healthy HSE culture inside the firm, we encourage all employees, including contract workers to embrace safe working habits and behavior.

We are fully committed to optimize the use of natural resources in the operation by minimizing its use of natural resources, increasing the use of renewable energy resources employing state of art technology, reducing wastages, utilization of waste as an alternate fuel in cement industries etc. We are cognizant of the global climate change crisis and aims to reduce our Carbon footprint and positively strive to give back to the environment.

We aspire to become Zero Landfill Hazardous Waste generator in future.

As a responsible corporate citizen, we have been striving for green energy as resource by replacing fossil fuel fired Boiler with Briquette (Bio-mass) fired boiler at Indrad, Dahej and Baddi manufacturing facilities. It will bring down the consumption of fossil fuel and promoting the utilisation of green fuel (bio fuel-briquette) and thus, will reduce our environmental impact / carbon footprint significantly (Scope-1). In order to achieve this green initiative, the Company has invested the capital investment of around ₹ 35 crores. The entire project will be commissioned in FY 2023-24 thereby resulting in annual saving of upto ₹ 13 crores.

Further the Company has taken one more step in the direction of optimum utilization of renewable resources by way of commencement of installation of Hybrid Power generation plant with an investment of ₹ 85 crores (Solar & Wind) for Indrad manufacturing facility, Bileshwarpura Project Site and R&D Centre. This generation facility is situated at Tal: Kalawad, Dist : Jamnagar, Gujarat and comprises of Two Wind Mills having capacity of 2.7 MW each and 5.0 MW AC Solar Power Plant. This will enable the Company to generate green energy equivalent to 2.88 crores KWH per annum. The entire project will be commissioned in FY 2023-24. This will reduce our environmental impact / carbon footprint significantly (Scope-2). This initiative will cater 30% of our total power consumption at Indrad Manufacturing Facility, Bileshwarpura Project Site and R&D Centre with an annual saving of upto ₹ 17 crores.

We truly believe in 4Rs of circular economy – Reuse, Reduce, Recover and Recycle. Our continuous ongoing efforts in environment sustainability have certainly reduced our water consumption, hazardous waste and energy consumption.

Under the Plastic Waste Management Rules, 2016 and its subsequent amendment, the Company is registered as a Brand Owner with Central Pollution Control Board (CPCB). Under Extended Producer Responsibility (EPR), the Company is collecting back the plastic waste across Pan India and disposing them off safely.

All our manufacturing facilities across India including few functions of our corporate office are certified for ISO 14001:2015 (Environment Management System) and ISO 45001:2018 (Occupational Health & Safety Management System). Two manufacturing facilities and R&D Centre of the Company are also accredited with ISO 50001:2018 (Energy Management System).

Our efforts are directed towards building and enhancing employee capacity on HSE through training programmes.

Concisely, in order to achieve the organization goal as "Zero Harm, Zero Injury, Zero Accident", Company has come up with unique concept of Consequence Management System (CMS) as a decision-making policy for further fostering the safety culture amongst employees and contract workers at manufacturing facilities and R&D Centre.

FINANCE

(a) Share Capital

During the year, pursuant to the approval of the shareholders by passing requisite resolution through postal ballot, the Authorised Capital of the Company was increased from ₹ 150 crores (divided into 25 crores Equity Shares of ₹ 5/- each and 25 lakh Preference Shares of ₹ 100/- each) to ₹ 225 crores (divided into 40 crores Equity Shares of ₹ 5/- each and 25 lakh Preference Shares of ₹ 100/- each) by creation of 15 crores Equity Shares of ₹ 5/- each ranking pari passu with the existing Equity Shares.

Further, pursuant to the approval of the Scheme of Amalgamation of Curatio with the Company and their respective shareholders and creditors ("Scheme") by the Hon'ble National Company Law Tribunal, Ahmedabad Bench vide its Order dated 17th May, 2023, with an appointed date as 14th October, 2022, the Authorised Share Capital of Curatio aggregating to ₹ 10 crores has been consolidated with Authorised Capital of the Company. Pursuant to which, the Authorised Capital of the Company stands to ₹ 235 crores, divided into 42 crores Equity Shares of ₹ 5/- each and 25 lakh Preference Shares of ₹ 100/- each.

(b) Bonus Issue

The Board, at its meeting held on 25th May, 2022, approved and recommended the issue of bonus shares in proportion of 1:1 to commemorate completion of 50 years of Company's successful and rewarding business operations and considering the accumulated reserves.

Such bonus issue was approved by shareholders through postal ballot on 30th June, 2022.

Pursuant to the above, 169,222,720 bonus shares of ₹ 5 each fully paid up were issued and allotted to the eligible shareholders by way of capitalization of ₹ 4.34 crores from Securities Premium Account and ₹ 80.27 crores from General reserve. Post bonus issue, the issued and paid up capital of the Company was increased from ₹ 84.62 crores to ₹ 169.23 crores.

(c) Deposits and Loans, Guarantees and Investments

The Company has neither accepted nor renewed any deposits. None of the deposits earlier accepted by the Company remained outstanding, unpaid or unclaimed as on 31st March, 2023.

Details of Loans, Guarantees and Investments by Company under the provisions of Section 186 of the Companies Act, 2013, during the year, are provided in Note 10 and 11 to the Standalone Financial Statements.

(d) Debentures and other debt instruments

The Company has raised an amount of ₹ 500 crores by way of issue of Unlisted Non-Convertible Debentures on private placement basis during the year. The outstanding amount of Non-Convertible Debentures issued by the Company is ₹ 1273.56 crores as on 31st March, 2023.

(e) Contracts or Arrangements with Related Parties

All Related Party transactions are entered in compliance to the provisions of law, the Policy on Materiality of and dealing with Related Party Transactions ("Related Party Policy") and were entered with the approval of Audit Committee, Board and Shareholders if and as applicable. The particulars of material contracts and arrangements entered into with the related parties in accordance with the Related Party Policy of the Company and pursuant to the provisions of Section 188(1) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 are annexed herewith as **Annexure A**.

(f) Internal Financial Control System

The Company has a formal framework of Internal Financial Control ("IFC") in alignment with the requirement of Companies Act, 2013 and has also laid down specific responsibilities on the Board, Audit Committee, Independent Directors and Statutory Auditors with regard to IFC.

Accordingly, the Company has a well-placed, proper and adequate IFC system, which ensures:

- The orderly and efficient conduct of its business,
- Safeguarding of its assets,
- The prevention and detection of frauds and errors,
- The accuracy and completeness of the accounting records and
- The timely preparation of reliable financial information.

The Board reviews the effectiveness of controls documented as part of IFC framework and take necessary corrective and preventive actions wherever weaknesses are identified as a result of such reviews. This review covers entity level controls, process level controls, fraud risk controls and Information Technology controls.

Based on this evaluation, no significant events had come to notice during the year that have materially affected, or are reasonably likely to materially affect, our IFC. The management has also come to a conclusion that the IFC and other financial reporting was effective during the year and is adequate considering the business operations of the Company. The Statutory Auditors of the Company has audited the IFC with reference to Financial Reporting and their Audit Report is annexed as Annexure B to the Independent Auditors' Report under Standalone Financial Statements and Consolidated Financial Statements.

(g) Material changes affecting the Company

No material changes and commitments have occurred after the close of the year till the date of this Report which may affect the financial position of the Company.

INSURANCE

The Company's manufacturing facilities, properties, equipment and stocks are adequately insured against all major risks including loss on account of business interruption caused due to property damage. The Company has appropriate liability insurance covers particularly for product liability, clinical trials and cyber liability. The Company has also taken Directors' and Officers' Liability Policy to provide coverage against the liabilities arising on them.

BUSINESS RISK MANAGEMENT

Risk Management is an integral part of our strategy for stakeholders' value enhancement and is embedded in to governance & decision making process across the Organisation. The Company has in place the Risk Management Policy to ensure effective responses to strategic, operational, financial and compliance risks faced by the Organisation.

As a part of this Policy, all the risks are discussed and deliberated with the concerned functional heads and business process owners to continually identify, assess, mitigate and monitor risks across the entity, its business functions and units. The Policy also encompasses identification, assessment and mitigation of ESG risks. The Risk Management Committee meets periodically to assess and deliberate on the key risks and adequacy of mitigation plan. It has formulated a comprehensive 'Risk Register', which is periodically updated to capture new risks / threats augmenting from changes in internal / external environment. Inputs from risk assessment are also embedded into annual internal audit programme. Key risks and mitigation measures are summarised in Management Discussion and Analysis section of the Annual Report.

SUBSIDIARIES & JOINT VENTURES

As of 31st March, 2023, the Company has 16 subsidiaries, out of which 3 are step down subsidiaries.

During the year, the Company acquired 100% stake in Curatio including its two subsidiaries at Sri Lanka and Philippines w.e.f. 14th October, 2022.

The Board approved the Scheme of Amalgamation of Curatio with the Company and their respective shareholders and creditors ("Scheme") pursuant to provisions of Section 230 to 232 of the Companies Act, 2013 read with the rules framed thereunder on 21st December, 2022. The said Scheme has been sanctioned by the Hon'ble National Company Law Tribunal, Ahmedabad Bench vide its Order dated 17th May, 2023 with an Appointed Date as 14th October, 2022 and the same is now effective.

The highlights of performance of major subsidiaries of the Company have been discussed and disclosed under the Management Discussion and Analysis section of the Annual Report. The contribution of each of the subsidiaries in terms of the revenue and profit is provided in Form AOC-1, which forms part of the Annual Report.

The details of UNM Foundation, associate company of the Company is also shown in the AOC-1. This associate company is Section 8 Company and primarily floated with another company of the Torrent group to carry out the CSR activities.

The annual accounts of the subsidiary companies will be made available to any Member of the Company seeking such information at any point of time and are also available for inspection by any Member of the Company at the Registered Office of the Company on any working day during business hours up to the date of the AGM. The annual accounts of the subsidiary companies are also available on the website of the Company at **www.torrentpharma.com**.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

(a) Board of Directors

The Board of Directors of the Company is led by the Executive Chairman and comprises nine other Directors as on 31st March, 2023, including two Whole-time Director, six Independent Directors which includes two Women Directors and one Non-Executive Director (other than Independent Directors).

All the Independent Directors of the Company have furnished declarations that they meet the criteria of independence as prescribed under the Companies Act, 2013 and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

During the year under review, the members of the Company have approved (through Postal Ballot):

- Appointment of Dr. Maurice Chagnaud (holding DIN: 09592878) as an Independent Director of the Company for a term of 3 (three) consecutive years effective from 11th May, 2022.
- Appointment of Manish Choksi (holding DIN: 00026496) as an Independent Director of the Company for a term of 5 (five) consecutive years effective from 29th July, 2022.
- Appointment of Aman Mehta (holding DIN: 08174906) as Director and also appointed as a Whole-time Director of the Company for a term of 5 (five) years effective from 01st August, 2022.

In the opinion of the Board, the directors appointed during the year possess requisite expertise, integrity and experience (including proficiency) for appointment as Independent Directors of the Company.

As per the provisions of the Companies Act, 2013, Samir Mehta, Executive Chairman (holding DIN 00061903), retires by rotation at the ensuing AGM and being eligible has offered himself for re-appointment.

The brief resume and other relevant information of the Director being re-appointed is given in the explanatory statement to the Notice convening the AGM, for your perusal.

(b) Meetings of Board of Directors

Regular meetings of the Board are held to review performance of the Company, to discuss and decide on various business strategies, policies and other issues. A calendar of Board / Committee meetings for the year is prepared and circulated to the Directors well in advance to enable them to plan their schedule for effective participation in the meetings. During the year, seven meetings of the Board of Directors were convened and held on 11th May, 2022, 25th May, 2022, 29th July, 2022, 21st October, 2022, 02nd November, 2022, 21st December, 2022 and 25th January, 2023. The intervening gap between two consecutive meetings was not more than one hundred and twenty days. Detailed information on the meetings of the Board is included in the Corporate Governance Report which forms part of the Annual Report.

(c) Audit Committee

The composition of the Audit Committee is in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The composition of the Committee as on 31st March, 2023 is given below:

Name of Director	Category of Directorship
Shailesh Haribhakti, Chairman	Independent Director
Haigreve Khaitan	Independent Director
Ameera Shah	Independent Director
Nayantara Bali	Independent Director
Dr. Maurice Chagnaud[1]	Independent Director

1. Dr. Maurice Chagnaud was appointed as member of the Committee with effect from 11th May, 2022.

During the year, the Board has accepted all the recommendations made by the Audit Committee.

(d) Appointment of Directors

(i) Criteria for Appointment of Directors

The Board of Directors of the Company has identified following criteria for determining qualification, positive attributes and independence of Directors:

1) Proposed Director ("Person") shall meet all statutory requirements and should:

- possess the highest ethics, integrity and values;
- not have direct / indirect conflict with present or potential business / operations of the Company;
- have the balance and maturity of judgment;
- be willing to devote sufficient time and energy;
- have demonstrated high level of leadership and vision, and the ability to articulate a clear direction for an organization;
- have relevant experience (in exceptional circumstances, specialization / expertise in unrelated areas may also be considered);
- have appropriate comprehension to understand or be able to acquire that understanding
  - Relating to Corporate Functioning
  - Involved in scale, complexity of business and specific market and environment factors affecting the functioning of the Company.

2) The appointment shall be in compliance with the Board Diversity Policy of the Company.

The key qualifications, skills and attributes which the Board is collectively expected to have for the effective discharge of their duties are explained in Corporate Governance Report of the Company.

(ii) Process for Identification / Appointment of Directors

- Board members may (formally or informally) suggest any potential person to the Chairman of the Company meeting the above criteria. If the Chairman deems fit, necessary recommendation shall be made by him to the Nomination and Remuneration Committee (NRC).
- Chairman of the Company can himself also refer any potential person meeting the above criteria to the NRC.
- NRC delibrates the matter and recommends such proposal to the Board.

Board considers such proposal on merit and decide suitably.

(e) Familiarisation Programme of Independent Directors

The Independent Directors have been updated with their roles, rights and responsibilities in the Company by specifying them in their appointment letter along with necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices. The Company endeavours, through presentations at regular intervals, to familiarise the Independent Directors with the strategy, operations and functioning of the Company and also with changes in the regulatory environment having a significant impact on the operations of the Company and the pharmaceutical industry as a whole. Site visits to various plant locations and CSR sites get organized for the Directors to enable them to understand the operations of and CSR activities carried out by the Company. The Independent Directors also meet with senior management team of the Company in formal / informal gatherings.

The details of such familiarisation programs for Independent Directors are posted on the website of the Company and can be accessed at **https://www.torrentpharma.com/pdf/cms/Familiarization_Programme_2022-23.pdf**

(f) Board Evaluation

The Evaluation of Board, its Committees, Individual Directors (Independent and Non Independent Directors) and Chairperson was carried out as per the process and criteria laid down by the Board of Directors based on the recommendation of the NRC:

- Chairperson of meeting of Independent Directors briefed the Board that the Independent Directors have carried out the performance evaluation of the Board as a whole, its committees, the Non Independent Directors, Chairman and flow of information between the management and the Board.
- The evaluation of Chairperson was co-ordinated by the Chairperson of the Independent Directors meeting.
- Pursuant to above, the Board expressed the satisfaction on the functioning of the Board, the Committees and performance of Individual Directors.
- The Independent Directors met on 25th January, 2023 with respect to the above process.

(g) Key Managerial Personnel

Chintan Trivedi was appointed as Company Secretary and Compliance Officer of the Company being Whole-time Key Managerial Personnel of the Company with effect from 1st August, 2022 in place of Mahesh Agrawal, who has attained the age of superannuation and was retired from the services with effect from close of working hours of 31st July, 2022.

Except as mentioned above and other than the directors as already captured in this report, there has been no change in the key managerial personnel of the Company during the year under review.

(h) Directors' Responsibility Statement

In terms of Section 134(3)(c) of the Companies Act, 2013, in relation to financial statements of the Company for the year ended 31st March, 2023, 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, 2023 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, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. the financial statements have been prepared on a going concern basis;

v. proper internal financial controls were in place and were adequate and operating effectively; proper systems to ensure compliance with the provisions of applicable laws were in place and were adequate and operating effectively.

REMUNERATION

(a) Remuneration Policy

The Remuneration policy covers the remuneration for the Directors (Chairman, Managing Director, Whole-time Directors, Independent Directors and other non-executive Directors) and other employees (under senior management cadre and management cadre). The Policy has been formulated with the following key objectives:

- To ensure that employee remuneration is in alignment with business strategy & objectives, organisation values and long-term interests of the organisation.
- To ensure objectivity, fairness and transparency in determination of employees' remuneration.
- To ensure the level and composition of remuneration are reasonable and sufficient to attract, retain and motivate a high performance workforce and are in compliance with all applicable laws.

It covers various heads of remuneration including benefits for Directors and employees. It also covers the process followed with respect to annual performance reviews and variables considered for revision in the remuneration. The said Policy is available on the website of the Company **www.torrentpharma.com**.

(b) Criteria for Remuneration to Non-Executive Directors (NEDs):

1. The payment of commission to the Directors of the Company who are neither in the whole time employment nor Managing Director(s) (NEDs) is approved by the shareholders of the Company and is subject to the condition that total commission paid to the NEDs shall not exceed the percentage limits of the net profit of the Company as specified in the Companies Act, 2013 (presently 1% of the net profit), calculated in accordance with Section 197 read with Section 198 and any other applicable provisions of the Companies Act, 2013.

   Further, as per the Regulation 17(6)(ca) of the Listing Regulations, approval of the shareholders by special resolution shall be required every year, in which the annual remuneration payable to a single NED exceeds fifty per cent of the total annual remuneration payable to all NEDs, giving details of the remuneration thereof.

2. The Board or its Committee specifically authorised for this purpose, determines the manner and extent upto which the commission is paid to the NEDs within the limit as approved by the shareholders. The commission is determined based on the participation of the Directors in the meetings of Board and / or Committees thereof, as well as on industry practice, performance of the Company and contribution by the Directors, etc.
3. Payment of Commission is made annually on determination of profit.
4. Sitting fees of ₹ 1 lakh is paid to Independent Directors for each meeting of the Board or any Committee thereof attended by them.
5. Independent Directors are reimbursed for all the expenses incurred for attending any meeting of the Board or Committees thereof and which may arise from performance of any special assignments given by the Board.

(c) Remuneration to Managerial Personnel

The details of remuneration paid to the Managerial Personnel forms part of the Corporate Governance Report.

(d) Particulars of Employees and related disclosures

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, disclosures pertaining to remuneration and other details are provided in the **Annexure C** to this Report.

AUDITORS

(a) Statutory Auditors

As per Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the members of the Company in Forty Ninth AGM of the Company approved the re-appointment of B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) as Statutory Auditors of the Company for a term of 5 (five) consecutive years from the conclusion of Forty Ninth AGM until the conclusion of the Fifty Forth AGM to be held with respect to the financial year 2026-27.

(b) Cost Auditors

In terms of the Section 148 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, the Company has prepared and maintained the cost accounts and records for the year 2022-23.

The Company has appointed M/s. Kirit Mehta & Co., Cost Accountants, Mumbai (Firm Registration No. 000353) as the Cost Auditors of the Company for audit of cost accounting records of its activities (Formulation & Bulk Drugs activities) for the financial year ended 31st March, 2023. The Cost Audit Report to the Central Government for the financial year ended 31st March, 2022 was filed on 24th August, 2022, within the statutory timeline. Further, the Board of Directors has appointed M/s. Kirit Mehta & Co. as the Cost Auditor of the Company for the financial year 2023-24 and fixed their remuneration, subject to ratification by the shareholders in the ensuing AGM of the Company.

(c) Secretarial Auditor

The Board, pursuant to Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, had appointed M/s. M. C. Gupta & Co., Company Secretaries, as the Secretarial Auditors of the Company to conduct the Secretarial Audit as per the provisions of the Companies Act, 2013 for the year 2022-23.

M/s. M. C. Gupta & Co. have carried out the Secretarial Audit accordingly and their report in Form MR-3, is annexed with this Report as **Annexure D.** There were no qualification / observations in the report.

During the year 2022-23, the Company has complied with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

CORPORATE GOVERNANCE

As required by Regulation 34 read with Schedule V of the Listing Regulations, a separate Report on Corporate Governance forms part of the Annual Report. The Report on Corporate Governance also contains certain disclosures required under the Companies Act, 2013. A certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause E of Schedule V of the Listing Regulations forms part of this Report as **Annexure E.**

ANNUAL RETURN

In terms of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the website of the Company at the link **https://torrentpharma.com/index.php/investors/annual_return**

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ETC.

A statement containing the necessary information on Conservation of energy, Technology absorption and Foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed to this Report as **Annexure F.**

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 and various State Governments specifically the Governments of Gujarat, Himachal Pradesh, Sikkim, Madhya Pradesh and Andhra Pradesh, 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 the commitment shown by the employees of the Company.

For and on behalf of the Board of Directors

Samir Mehta
Executive Chairman
DIN: 00061903

Mumbai
30th May, 2023

ANNEXURE A TO THE DIRECTORS' REPORT

Form No. AOC – 2

(Pursuant to clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the Company with Related Parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not on arm's length basis:

   There were no contracts or arrangements or transactions entered into with related parties during the year under review, which were not on an arm's length basis.

2. Details of material contracts or arrangements or transactions at arm's length basis[1]:

Name of the Related Party and Nature of Relationship	Nature of Contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advance, if any
Torrent Pharma Inc. USA ("TPI") (wholly owned subsidiary Company)	Product Supply Agreement	1st April, 2019 till 31st March, 2024	TPI to purchase its total requirements of the Products listed in the Agreement from the Company.	Approval of Board is not required under Section 188(1) of the Companies Act, 2013	Nil

During the financial year 2022-23, the net value of the transactions with TPI is ₹ 875.58 crores.

For and on behalf of the Board of Directors

Samir Mehta
Executive Chairman
DIN: 00061903

Mumbai
30th May, 2023

[1]Material contracts / transactions has been considered based on the definition of material transaction as mentioned under explanation to Sub Regulation (1) of Regulation 23 of the Listing Regulations.

ANNEXURE B TO THE DIRECTORS' REPORT

Annual Report on CSR Activities for FY 2022-23

1. Brief outline on CSR Policy of the Company:

- Torrent has always been committed to the cause of social service and has consistently channelised a part of its resources and activities, such that it positively impact the society socially, ethically and also environmentally. The Company has taken up various CSR initiatives improving the quality of life of the people and making quality value addition to the society.
- The Company channelizes its CSR activities in light of its guiding principle as enumerated by its founder - Shri U. N. Mehta: ***"Giving back to the society, for all the years of care, support and nurturance that is being bestowed upon the organisation"*.**
- The Policy focuses on three thrust areas in which CSR activities are planned - (a) Community Healthcare, Sanitation & Hygiene (b) Education & Knowledge Enhancement and (c) Social Care & Concern.
- The CSR Activities are conducted, preferably in areas where the Company has industrial or business presence, after approval of the Corporate Social Responsibility and Sustainability Committee ("CSRS Committee") and the Board.
- CSR Activities are conducted by implementing agencies, which include section 8 company / registered public trust / registered society established by the Company / an external entity engaged in CSR activities etc.

2. Composition of Corporate Social Responsibility and Sustainability Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of Meetings of CSRS Committee held during the year / tenure	Number of Meetings of CSRS Committee attended during the year
1	Nayantara Bali[1]	Chairperson / Independent Director	2	2
2	Ameera Shah[2]	Chairperson / Independent Director	1	0
3	Shailesh Haribhakti	Member / Independent Director	2	2
4	Manish Choksi[3]	Member / Independent Director	1	1
5	Jinesh Shah	Member / Whole-time Director	2	2

1. Nayantara Bali was appointed as a Chairperson of the Committee with effect from 21st October, 2022
2. Ameera Shah ceased to be a Chairperson and a member of the Committee with effect from 29th July, 2022.
3. Manish Choksi was appointed as member of the Committee with effect from 29th July, 2022.

3. Provide the web-link where Composition of CSRS Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:

CSRS Committee: **https://www.torrentpharma.com/pdf/cms/Composition_Of_Various_Committees_Of_Board_Of_Directors.pdf**

CSR Policy: **https://www.torrentpharma.com/pdf/investors/CSRPolicy.pdf**

CSR Projects: **https://www.torrentpharma.com/index.php/investors/csr**

4. Provide the executive summary along with web-link of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8, If applicable:

Shiksha Setu (Quality Education Programme in Rural and Urban Slum Area) (Phase II) was considered as Ongoing Project in FY 2020-21. Executive Summary and Impact Assessment Report of the said Project is available on the website of the Company at **www.torrentpharma.com/pdf/investors/csr/ImpactAssessmentReport.pdf**

5. (a) Average net profit of the Company as per sub-section (5) of section 135: ₹ 1,307 crores

(b) Two percent of average net profit of the Company as per sub-section (5) of Section 135: ₹ 26.14 crores

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: ₹ 0.36 crores

(d) Amount required to be set-off for the financial year, if any: Nil

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 26.50 crores

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 22.96 crores

(b) Amount spent in Administrative Overheads: Nil

(c) Amount spent on Impact Assessment, if applicable: Nil

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 22.96* crores

(e) CSR amount spent or unspent for the Financial Year:

Total amount spent for the Financial Year (₹ in crores)	Amount Unspent (₹ in crores)				
	Total Amount transferred to unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
22.96*	21.42**	24th April, 2023	Nil		

* Including ₹ 17.58 crores spent during the financial Year on an ongoing project, out of unspent amount pertaining to earlier years.
** Including ₹ 0.60 crores surplus arising at implementing agency level from temporary investment of the funds in FY 2022-23.

(f) Excess amount for set-off, if any: Nil

Sr. No.	Particulars	Amount (₹ in crores)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135	-
(ii)	Total amount spent for the Financial Year	-
(iii)	Excess amount spent for the Financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR Projects or Programmes or Activities of the previous Financial Years, if any	-
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	-

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sr. No.	Preceding Financial Years	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (₹ in crores)	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 (₹ in crores)**	Amount spent in the Financial Year (₹ in crores)	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (₹ in crores)	Deficiency, if any
					Amount (₹ in crores)	Date of transfer		
1.	2021-22	17.58*	17.58	17.58	Nil	-	-	-
2	2020-21	4.73^	0	0	Nil	-	-	-

* Including an amount of ₹ 0.37 crores transferred to Unspent account pertaining to earlier years.
** Unspent as on 01st April, 2022.
^ Spent during FY 2021-22

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Yes

If Yes, enter the number of Capital assets created / acquired 2

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

(1)	(2)	(3)	(4)	(5)	(6)		
Sr No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR spent (₹ in crores)	Details of entity / Authority / beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
1	Land at Indrad Survey No. 237, 239, 240, 241, 290, 297, Bileshwarpura, Taluka Kalol, District Gandhinagar, Gujarat	382 729	31st March, 2023	4.61	CSR00004202	UNM Foundation	"Samanvay", 600, Tapovan, Ambawadi, Ahmedabad – 380 015
2	Medical Equipments at UNM Children Hospital, Sugen Mega Power Project, Off. N. H. 48, Vill. Akhakhol, Tal. Kamrej, Surat, Gujarat	394 155	17th March, 2023	3.85			

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: Not Applicable.

Samir Mehta
Executive Chairman
DIN: 00061903

Mumbai
30th May, 2023

Nayantara Bali
Chairperson CSRS Committee
DIN: 03570657

Mumbai
30th May, 2023

ANNEXURE C TO THE DIRECTORS' REPORT

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rules 5(1), 5(2) and 5(3) of the Companies (Appointnent and Remuneration of Managerial Personnel) Rules, 2014

A. Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the year 2022-23 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the year 2022-23 are as under:

Sr. No.	Name	Designation	Ratio of Remuneration of Director to Median Remuneration of employees	% increase in Remuneration in the year 2022-23
1	Sudhir Mehta	Chairman Emeritus	NA(1)	NA(1)
2	Samir Mehta	Executive Chairman	362.04(2)	15.00(2)
3	Shailesh Haribhakti	Independent Director	14.01	91.40
4	Haigreve Khaitan	Independent Director	13.06	102.44
5	Ameera Shah	Independent Director	10.86	70.37
6	Nayantara Bali	Independent Director	12.43	81.61
7	Dr. Maurice Chagnaud	Independent Director	11.17(3)	--(3)
8	Manish Choksi	Independent Director	6.61(4)	--(4)
9	Jinesh Shah	Whole-time Director	92.65(2)	1.29(2)
10	Aman Mehta	Whole-time Director	32.40(2)(5)	--(2)(5)
11	Sudhir Menon	Chief Financial Officer	NA	14.39(2)
12	Mahesh Agrawal	Company Secretary	NA	--(6)
13	Chintan Trivedi	Company Secretary	NA	--(6)

(1) Sudhir Mehta though eligible for commission, has foregone his right to receive the same and has not taken any remuneration.

(2) Also entitled to group personal accident and group mediclaim policy.

(3) Dr. Maurice Chagnaud appointed as an Independent Director w.e.f. 11th May, 2022 and no remuneration was paid to him during the year 2021-22.

(4) Manish Choksi appointed as an Independent Director w.e.f. 29th July, 2022 and no remuneration was paid to him during the year 2021-22.

(5) Aman Mehta appointed as Whole-time Director w.e.f. 01st August, 2022.

(6) Mahesh Agrawal on attaining the age of superannuation retired from the services w.e.f. 31st July, 2022 and Chintan Trivedi designated as Company Secretary and Compliance Officer w.e.f. 01st August, 2022.

B. The percentage increase in the median remuneration of employees in the financial year under review is 7.79%. The employees whose remuneration is determined based on negotiations, employees who have not received the increment for full year and the employees at representative offices of the Company abroad have been excluded for this purpose.

C. The Company has 13,573 employees on the rolls of Company as on 31st March, 2023.

D. The increase made in the salaries of employees other than managerial personnel during the year under review was 9.93% while the increase in managerial remuneration was 11.91%.

E. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

F. The information required under Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Annual Report. Having regard to the provisions of Section 134 and Section 136 of the Companies Act, 2013, the Reports and Accounts are being sent to the Members excluding such information. However, the said information is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of ensuing AGM. Any shareholder interested in obtaining a copy of such statement may write to the Company Secretary at the Registered Office of the Company.

For and on behalf of the Board of Directors

Samir Mehta
Executive Chairman
DIN: 00061903

Mumbai
30th May, 2023

ANNEXURE D TO THE DIRECTORS' REPORT

Form No. MR - 3

Secretarial Audit Report
for the financial year ended 31st March, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Torrent Pharmaceuticals Limited,

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Torrent Pharmaceuticals Limited (CIN: L24230GJ1972PLC002126) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, having its Registered Office at Torrent House, Off Ashram Road, Ahmedabad – 380 009 for the financial year ended on 31st March, 2023 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period)**
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(Not applicable to the Company during the Audit Period)**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit Period).**

(vi) The Company has complied with the following other specific applicable laws to the Company:

- a) The Drugs and Cosmetics Act, 1940
- b) The Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954
- c) The Drug and Price Control Order, 2013
- d) The Narcotics, Drugs & Psychotropics Substances Act, 1985
- e) The Patent Act, 1970
- f) The Prevention of Cruelty to Animals Act, 1960
- g) The Water (Prevention and Control of Pollution) Act, 1974
- h) The Water (Prevention and Control of Pollution) Cess Act, 1977.
- i) Air (Prevention and Control of Pollution) Act, 1981.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) Provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were usually sent seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions were taken unanimously in the Board & its Committees.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc except the following:

1. The Board of Directors of the Company at its meeting held on 25th May, 2022 had decided to seek approval of the members through Postal Ballot to increase the authorised share capital of the Company to ₹ 225 crores, Issue of Bonus equity shares in ratio of @1:1 and also to recommend the appointment of Dr. Maurice Chagnaud as an Independent Director of the Company for a period of 3 years effective from 11th May, 2022.
2. The Board of Directors of the Company at its meeting held on 29th July, 2022 had recommended to the members through Postal Ballot to confirm the appointment of Mr. Manish Choksi as an Independent Director of the Company for a period of 5 years from 29th July, 2022 and also for the appointment of Mr. Aman Mehta as Director and Whole-time Director of the Company for a period of 5 years with effect from 1st August, 2022.

3. The 49th Annual General Meeting of the Company was held on 29th July, 2022 through Video Conferencing in terms of MCA Circulars 14/2020, 17/2020 and 2/2022.
4. The Company had entered into the Share Purchase agreement dated 27th September, 2022 to acquire 100% stake in Curatio Health Care (I) Private Limited. The transaction was consummated on 14th October, 2022 and the said company became a Wholly Owned Subsidiary of the Company.
5. The Board of Directors of the Company at its meeting held on 21st December, 2022, had approved the Scheme of Arrangement in the nature of Amalgamation of Curatio Health Care (I) Private Limited, the Wholly Owned Subsidiary of the Company with the Company and their respective Shareholders and Creditors, having appointed date of 14th October, 2022. The NCLT had approved the Scheme vide its Order dated 17th May, 2023.
6. During the year, the Company has issued Rated Secured Unlisted Non-Convertible Debentures of ₹500 crores.

For M. C. Gupta & Co,
Company Secretaries
UCN: S1986GJ003400

Mahesh C. Gupta
Proprietor
FCS: 2047 (CP: 1028)
Peer Review: 579/2019
UDIN: F002047E000419981

Ahmedabad
30th May, 2023

Note: This Report is to be read with Our Letter of even date which is annexed as Annexure "A" and forms an integral part of this report.

Annexure A

To,
The Members,
Torrent Pharmaceuticals Limited,

Our Report of even date is to be read along with this Letter;

1. Maintenance of Secretarial Record is the responsibility of the management of the Company. Our responsibility is to express an opinion on Secretarial Records based on our Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For M. C. Gupta & Co,
Company Secretaries
UCN: S1986GJ003400

Mahesh C. Gupta
Proprietor
FCS: 2047 (CP: 1028)
Peer Review: 579/2019
UDIN: F002047E000419981

Ahmedabad
30th May, 2023

ANNEXURE E TO THE DIRECTORS' REPORT

Independent Auditors' Certificate on Compliance with the Corporate Governance Requirements Under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Members of
Torrent Pharmaceuticals Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 21st September, 2022 and addendum to the engagement letter dated 4th April, 2023.
2. We have examined the compliance of conditions of Corporate Governance by Torrent Pharmaceuticals Limited ("the Company"), for the year ended 31st March, 2023, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility

3. The compliance of conditions of Corporate Governance as stipulated under the Listing Regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March, 2023.
6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We 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.

Restriction on use

10. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Sadashiv Shetty
Partner
Membership No: 048648
UDIN: 23048648BGWANP4336

Place: Mumbai
Date: 30th May 2023

ANNEXURE F TO THE DIRECTORS' REPORT

Particulars required under the Rule 8(2) of the Companies (Accounts) Rules, 2014

A. Conservation of Energy

1. Steps taken or impact on conservation of energy:

During the year, the Company has met its core objective of reducing its carbon footprint by making efficient use of resources in its business operations. It has taken following steps for conservation of energy:

- Installation of 2 (two) wind mills of 2.7 MW each and 5 MW AC solar power plant at Kalavad, District Jamnagar, Gujarat. This will enable the Company to generate green energy equivalent to 2.88 crores KWH per annum. This renewable energy will contribute 30% of the total electricity consumption at Indrad manufacturing facility, Bileshwarpura project site and R&D Centre which may result into an annual saving of upto ₹ 17 crores.
- Set up of Biomass Briquette boiler at Indrad, Dahej & Baddi manufacturing facilities which may result into an annual saving of upto ₹ 13 crores.
- Set up of additional Heat pump at Baddi manufacturing facility which has resulted in saving of 3,600 Ton steam per annum.
- Efficiency improvement in HVAC, Chillers, Pumps at Indrad & Baddi manufacturing facilities resulting in saving of 13.50 lakh KWH per annum.
- Power factor maintained near Unity at various manufacturing facilities and R&D Centre resulted curtailment of power losses and rebate from State electricity boards.
- Replacement of energy efficient equipments (Efficient Fans & LED Lamps) resulted in saving in electricity at R&D Centre.
- Efficiency improvement in operation by rationalising the peak power demand at Vizag & Baddi manufacturing facilities
- Recycling of steam condensate at Baddi manufacturing facility.
- At Sikkim manufacturing facility, alternate power supply of 5 MW taken from other sub-station. This resulted in saving of approx. 200 KL HSD in DG operations.

2. Steps taken by the Company for utilizing alternate source of energy:

Replacing conventional energy with green energy (renewable) is the need of hour. The Company has been striving to reduce dependency on conventional source of energy in following manner:

- Apart from inhouse installation of solar power generation plants, the Company has set up an outside renewable energy generation facility at Kalavad, Jamnagar replacing the conventional carbon foot print generating electricity sources;
- Agrowaste / biofuel, a renewable source of energy reduces the dependency on fossil fuel thereby reducing the carbon foot print of the Company;
- Installation of Solar rooftops at two of the Company's manufacturing facilities and one at R&D Centre.

3. The capital investment on energy conservation equipments:

- Briquette fired boiler at Indrad, Dahej & Baddi manufacturing facilities with an investment of more than ₹ 35 crores.
- Hybrid Power (Solar and Wind) generation for Indrad manufacturing facility, Bileshwarpura Project site and R&D Centre with investment of ₹ 85 crores.

B. Technology Absorption

Particulars with respect to technology absorption are given below:

1. Efforts made towards technology absorption:

- Sachet filling line installed at Dahej manufacturing facility.
- All Bottle Packing Line at Indrad and Dahej manufacturing facilities are equipped with vision inspection system for 100% accuracy in identifying any defect.
- Automated Clean In Place (CIP) system procured for equipment such as FBP / FBD / Autocoater to facilitate cleaning without manual intervention at Indrad and Dahej manufacturing facilities.
- Implemented Robotic cleaning of Formulation facility corridor at Dahej manufacturing facility.
- Installation of Tube filling Lines at Pithampur manufacturing facility to enhance accuracy and precision during filling along with multipurpose filling machine.
- Installed Steam Operated Pumping Trap for Hot Water (SOPT) System at Sikkim manufacturing facility.
- Installed Intelligent Flow Control System in Compressed Air line at Sikkim manufacturing facility.
- Vertical Diffusion Cell Test System --- For dermal and Ophthalmic formulation studies at R&D centre
- By installing Post Column Reaction Module it has increased sensitivity and selectivity in HPLC analysis at R&D Centre.
- Rapid Dryer installed at R&D centre resulting in saving of energy & cost.
- Installation of ROSETTA eCTD Viewer Desktop Edition improves Life cycle management quality with considerable time saving at R&D Centre.
- Auto vibration unit for process equipment at Indrad manufacturing facility for flow improvement of products in process equipment.

2. Benefits derived like product improvement, cost reduction, product development or import substitution:

The Company keep on exploring and adopting new technology and processes for improvement in product, operation, product quality, safety & environment standards.

The technologies adopted so far have given us the benefits in terms of Cost Optimization, energy efficiency and resource conservation. The Company continues to put efforts to regularize alternate sources of raw materials usage via procuring from across globe, including in-house technology development and implementation, as a part of cost reduction, import substitution and to ensure consistency in product availability. Modern approach with automation in process is adopted for better control.

3. Information of technology imported during last three years:

Sr. No.	Technology Imported	Year of Import
1.	Vertical Diffusion Cell Test System	2022-23
2.	Post Column Reaction Module	2022-23
3.	Rapid Dryer	2022-23
4.	Particle Track G600B with Z4 Work Station	2021-22
5.	Lubricant Spraying System	2021-22
6.	NMR Probe	2021-22
7.	Dissolution Media Degasser	2021-22
8.	Recirculating Cooler	2021-22
9.	LCMS	2020-21
10.	NuGenesis LMS Named	2020-21
11.	GCMS	2020-21
12.	Checkweigher	2020-21

The above technologies have been fully absorbed except Item no. 10 which has been partially absorbed and will be fully absorbed during 2023-24.

4. Expenditure on R&D:

(₹ in crores)

Particulars	2022-23
Total R&D expenditure including Capital expenses	414.96
Total R&D expenditure as a percentage of turnover	5.50%

C. Foreign Exchange Earnings and Outgo

(₹ in crores)

Particulars	2022-23	2021-22
Foreign Exchange Earnings	2,099.42	1,841.91
Foreign Exchange Outgo	373.53	333.74

For and on behalf of the Board of Directors

Samir Mehta
Executive Chairman
DIN: 00061903

Mumbai
30th May, 2023

MANAGEMENT DISCUSSION AND ANALYSIS

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 Limited and its wholly owned subsidiaries (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, wherever necessary, to make it comparable with the current year.

Global Economy:

On the surface, the global economy appears poised for a gradual recovery from the powerful blows of the pandemic and Russia's unprovoked war on Ukraine. Supply-chain disruptions are unwinding, while the dislocations to energy and food markets caused by the war are receding. Simultaneously, the massive and synchronous tightening of monetary policy by most central banks should start to bear fruit as inflation starts tapering off.

The baseline forecast is for growth to fall from 3.4% in 2022 to 2.8% in 2023, before settling at 3.0% in 2024. Advanced economies are expected to see an especially pronounced growth slowdown, from 2.7% in 2022 to 1.3% in 2023. Global headline inflation in the baseline is set to fall from 8.7% in 2022 to 7.0% in 2023 on the back of lower commodity prices but underlying (core) inflation is likely to decline more slowly.

The rate hike by the US Fed drove capital into the US markets causing the US Dollar to appreciate against most currencies. This led to the widening of the Current Account Deficits (CAD) and increased inflationary pressures in net importing economies. The rate hike and persistent inflation also led to a lowering of the global growth forecasts for 2022 and 2023. The weakness of the Chinese economy further contributed to weakening the growth forecasts. With inflation persisting in the advanced economies and the central banks hinting at further rate hikes, downside risks to the global economic outlook appear elevated.

Indian Economy:

Indian economy, however, appears to have moved on after its encounter with the pandemic, staging a full recovery in 2021-22 ahead of many nations and positioning itself to ascend to the pre-pandemic growth path in 2022-23. Yet in the bygone fiscal year, India has also faced the challenge of reining in inflation that the European strife accentuated. Measures taken by the government and RBI, along with the easing of global commodity prices, have finally managed to bring some relief on retail inflation. However, the challenge of the depreciating rupee, although better performing than most other currencies, persists with the likelihood of further increases in policy rates by the US Fed. The widening of the CAD may also continue as global commodity prices remain elevated and the growth momentum of the Indian economy remains strong. The loss of export stimulus is further possible as the slowing world growth and trade shrinks the global market size.

Despite these, agencies worldwide continue to project India as the fastest-growing major economy at 6.5-7.0% in 2022-23. These optimistic growth forecasts stem in part from the resilience of the Indian economy seen in the rebound of private consumption seamlessly replacing the export stimuli as the leading driver of growth. The uptick in private consumption has also given a boost to production activity resulting in an increase in capacity utilisation across sectors. The rebound in consumption was engineered by the near-universal vaccination coverage overseen by the government. The Capital Expenditure (Capex) of the central government, which increased by 63.4% in the first eight months of 2022-23 , was another growth driver of the Indian economy.

Global growth has been projected to decline in 2023 and is expected to remain generally subdued in the following years as well. The slowing demand will likely push down global commodity prices and improve India's CAD. India's economic growth in 2022-23 has been principally led by private consumption and capital formation. However, CAD needs to be closely monitored as the growth momentum of the current year spills over into the next. Growth is expected to be brisk in 2023-24 as a vigorous credit disbursal, and capital investment cycle is expected to unfold in India with the strengthening of the balance sheets of the corporate and banking sectors.

Global Pharma Market:

In developed countries, the adoption of new treatments, offset by patent lifecycles and competition from generics and biosimilars are expected to continue as the main factors influencing medicine spending and growth. In pharmerging countries, dramatic increases in healthcare access remains the largest driver of changes in the use of medicines historically but the trend is gradually slowing. The global medicine market — using invoice price levels, is expected to grow at 3–6% CAGR through 2027, reaching about $1.9 trillion in total market size. Growth in Global Medicine pending will be lifted by stronger pharmerging market growth through 2025 and offset by developed markets where slower growth will result as losses of exclusivity for original brands outweigh growth from new products.

- The U.S. market, on a net price basis, is forecast to grow 0–3% CAGR over the next 5 years, down from 3% CAGR for the past 5 years.
- Japan, the third largest global market will have flat to declining medicine spending as a result of the continued biennial price cut policy, but see rising patent-protected original brand spending coinciding with policies to encourage a shift to generics for older medicines.
- Spending in Europe is expected to increase by a total of $35 billion in five years to 2025 with a focus on generics and biosimilars.
- In pharmerging markets, growth will be led by China, which is expected to accelerate post-COVID driven by greater uptake and use of new original medicines.

The impact of exclusivity losses will increase to $166 billion over the next 5 years mostly due to the availability of biosimilars, and the cumulative savings from biosimilars will reach an estimated $285 billion. Five years from now, medicine spending will be nearly 60% from specialty medicines in developed markets and 50% globally, with the remainder predominately older and traditional therapies, becoming progressively lower cost over time. The two leading global therapy areas — oncology and immunology — are forecast to grow 9–12% CAGR through 2025, lifted by significant increases in new treatments and medicine use. Oncology is projected to add 100 new treatments over five years, contributing to an increase in spending of more than $100 billion to a total of more than $260 billion in 2025.

As the COVID-19 pandemic enters its fourth year, it has been the most impactful global public health crisis in decades, and yet it has illustrated the resilience of global health systems as they have readily adapted to peaks in demand and developed novel vaccines and therapeutics with significant efficacy, safety, and unusual speed. The global vaccination program that countries and industry have implemented is unprecedented in its speed and reach to lower-income countries previously thought to be inaccessible. While challenges remain in managing the pandemic into an endemic phase, other health concerns are also coming back into focus.

Overall, global use and spending on medicines is expected to return to pre-pandemic growth rates by 2024, though the next two years are not without important uncertainties related to viral variants, vaccination rollout for COVID-19, and under-usage of booster shots, as well as economic uncertainties related to global inflation, geopolitical conflicts, and climate change.

Outlook for the use of medicines: Overall volume is projected to grow 1.6% CAGR in days of therapy through 2027, driven by Asia-Pacific, India, Latin America, Africa and the Middle East, and China, all of which are expected to exceed global volume growth. Per capita use of medicines varies by GDP, with use in higher-income countries typically higher than in lower income countries.

Spending and Growth by regions and key countries:

The global medicine market — using invoice price levels — is expected to grow at 3–6% CAGR through 2027, reaching about $1.9Tn in total market size. Spending and volume growth will follow diverging trends by region with larger established markets growing more slowly, and growth markets in Eastern Europe, Asia and Latin America growing in both volume and spending.

US: The U.S. market, on a net price basis, is forecast to grow -1 to 2% CAGR over the next five years, down from 4% CAGR for the past five years.

Europe: Spending in Europe is expected to increase by $59 billion through 2027, with a focus on generics and biosimilars, and escalating pressures on the value and negotiated prices of novel medicines.

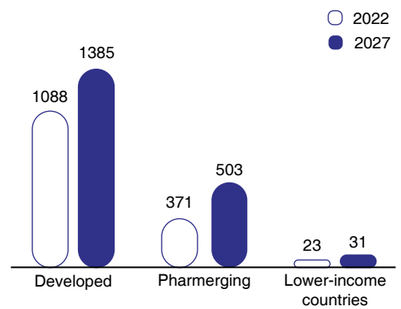
Asia-Pacific: The pandemic's impact on Asia-Pacific countries varies considerably, but a return to steady growth is projected after 2021.

Japan: Japan medicine spending growth is projected at -1 to 2% through 2027 as robust brand growth is offset by a shift in annual price cuts and ongoing moves to generics.

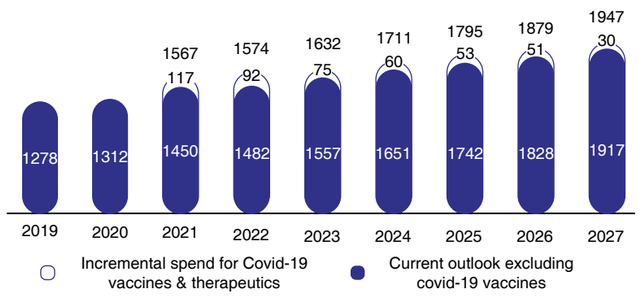
China: Spending growth in China is expected to slow, with positives driven by greater uptake and use of new original medicines and offset by pressures on off patent and generic pricing.

Growth in developed economies continues at relatively steady rates, with new products offset by patent expiries. Latin America, Eastern Europe and parts of Asia are expected to grow strongly from volume and adoption of novel medicines.

Global Medicine Spending ($ billion)



Trends Global Medicine Spending ($ billion)



Key Areas:

- The key growth area for medicines in the next five years is biotech, which will represent 35% of global spending and will include many of the areas of greatest activity for novel medicines.
- Specialty medicines will represent 43% of global spending in 2027 and more than 55% of total spending in developed markets, continuing the shift from more traditional medicines underway for over a decade.
- The two leading global therapy areas — oncology and immunology — are forecast to grow 13–16% and 3–6% CAGR, respectively, through 2027, reflecting diverging trends with one still driven by novel medicines and the other facing biosimilar competition. Oncology is projected to add 100 new treatments over five years.
- Diabetes spending growth is slowing to low single digits in most developed markets and declining in some, especially net of rebates.
- The outlook for global medicine spending has shifted considerably during the COVID-19 pandemic but is expected to be largely similar to the pre-COVID outlook, excluding the spending for COVID-19 vaccines and therapeutics.

Emerging trends: Following are some key emerging industry trends:

- Brand loss of exclusivity: The ongoing flow of innovation and the lagged savings as those medicines face competition and become cheaper has continued to reward innovators and challengers alike. In the next five years the impact of LOE is expected to be $141 billion, and while it will be offset by the spending on associated generics and biosimilars, the savings to healthcare systems and patients in the next five years will be significant.
- Pricing pressure: With rising demand for healthcare and falling budgets, governments and payers are exerting pressure to drive down prices. Governments, insurers and patients are requiring greater transparency around drug pricing. Channel consolidation in the US continues to exert pressure on generic pricing. One of the challenges facing drug manufacturers is to build closer relationships with patients. This has many benefits including better understanding of patient experience and improved adherence. However, the industry has some way to go to become a trusted part of the healthcare ecosystem.
- Specialty Pharma: Specialty medicines are those which treat chronic, complex and rare diseases, and while they have a range of characteristics — including the complexity of disease management or distribution — the most commonly noted attribute is that they are more expensive than other more traditional medicines. Specialty medicines have been increasing as a share of spending in higher-income countries and upper middle income countries. Globally specialty medicines will be 45% of global spending by 2025, with more than half of spending on these product in major developed markets.
- Complex generics: A complex generic is a generic that could have a complex active ingredient, complex formulation, complex route of delivery, or complex drug device combinations. Complex generic drugs are cheaper than branded drugs and offer the opportunity to capture additional value to patients by addressing additional unmet needs and enabling complex drug manufacturer to achieve market differentiation and earn higher margins. Opportunities for generics remain strong and positive across the globe, with an increasing demand for affordable healthcare and government focus on cost control and expansion of medical infrastructure. The availability of cost-effective, safe generic alternatives offers a tool, that can be used to balance access to and affordability of many major therapies required to maintain a healthy population of patients across multiple disease areas.
- Biosimilars: Biosimilar products are an identical copy of an original product already authorized for use and offer new therapeutic options with the potential for cost savings to the healthcare system. The introduction of regulatory frameworks for biosimilars over the past 15 years has finally begun to contribute to systemic savings in a tangible way, and 2020, in particular, contributed a significant boost in biosimilar impact from the U.S. for the first time. In the next five years, biologics will see $52 billion in lower brand spending, compared to $15.8 billion in the past five.
- Oncology trends: Oncology is the leading therapy area for innovation - in terms of the level of clinical trial activity, number of companies investing in therapeutics, size of the pipeline of therapies in clinical development, novel active substances being launched, and the level of expenditure on these drugs. In 2021, during a global pandemic, cancer care continued to be delivered. In a record-setting year, more novel cancer medicines became available for the first time than in any year in history, and many of them employ immunology or precision biomarkers to transform the way patients are treated. Adoption of breakthrough medicines and diagnostics is improving outcomes for millions around the world, though broad and equitable access remains a significant challenge to healthcare stakeholders — including patients. Global oncology is witnessing a remarkable surge in R&D and innovation, potentially leading to new therapies for unresolved cancers and including some of the most advanced breakthrough science in the life sciences. These therapies represent the largest area of collective research and the largest overall area by drug spending in the world. A record 30 oncology novel active substances (NASs) were initially launched globally in 2021, 104 in the past five years and a total of 159 since 2012. While not all of these drugs have become available in every country, most have access to some key breakthroughs in immuno-oncology and the use of precision biomarkers have become the standard of care in dozens of tumors.
- Growing incidence of Chronic & Sub-chronic therapies: With changing lifestyle, aging population and improved diagnosis, incidence of chronic diseases or life style therapies are significantly increasing. This includes therapies such as Cardio-vascular, Anti-diabetic and Central Nervous System. This trend is even more prevalent in emerging markets such as India and Brazil.
- Pharma 4.0: Pharma 4.0, originally Industry 4.0, applied to pharmaceutical manufacturing, which is the addition of cyber-physical systems to computerize manufacturing while focusing on the human element. Four pillars of Pharma 4.0 – Resources, Information Systems, Organization & Processes, and Culture. One of the main facets of the Resources pillar is digital transformation which centers on real-time data and information to increase productivity, enable machine operators to do their jobs more efficiently, and further allow the use of predictive technologies, augmented reality (AR) and virtual reality (VR), Big Data, artificial intelligence (AI), and machine learning (ML). It allows for connectivity through integrated systems, equipment, people, and other software systems; real-time visibility into operations; transparency for quicker reaction time; and, at its highest levels, predictability and self-optimization in that the system can predict the outcome of a batch or machine's performance and self-correct. In this kind of environment, apps, smart sensors, or the Industrial Internet of Things (IIoT) are used as a means of first capturing the data from the floor, which is then transferred to the cloud, available for use.
- Digital healthcare: Digital is the future in all sectors of the economy and society and healthcare is no exception. Digital delivery will become integral to healthcare provision, and something that people have embraced after being driven indoors by the pandemic. For India, this is a solution to the vexed problem of providing healthcare to a massive population confronted by inadequate hospital beds, doctor and nurse coverage ratios. Change is anyway on the horizon. Reorganization of supply chains through digital adoption, innovation and value-based procurement, and promising applications of big data technologies are emerging. Ayushman Bharat Digital Mission (ABDM) aims to create a national digital health ecosystem that supports universal health coverage in an efficient, accessible, inclusive, affordable, timely, and safe manner.

Growth Drivers:

1. **Longer Life Expectancy:**
   With declining fertility and increased longevity, the relative size of older age groups is increasing.
2. **Changing Lifestyle:**
   In today's world, sedentary lifestyle, changing dietary habits, hectic and stressful life, less sleep and certain environmental factors causes higher incidence of chronic diseases.
3. **Improving Purchasing Power:**
   The middle-class population & per capital income continues to expand, driving demand for healthcare solutions, more particularly in emerging markets
4. **Health Insurance & Infrastructure:**
   Penetration of health insurance (both public and private) is expected to surge with the government sponsored initiatives and programs, making healthcare more affordable.
5. **Digital and Advanced Analytics:**
   Major technological shifts have encouraged a rapid increase in the use of Advanced Analytics (AA), driving growth and productivity across the pharma value chain.

Indian Pharma

The Indian Pharmaceuticals industry plays a prominent role in the global pharmaceuticals industry. India Pharma market continues to grow with spending increasing by 7.5–10.5% through 2027, reaching $35–39 billion. India is ranked 3rd worldwide in the production of pharma products by volume and 14th by value. The nation is the largest provider of generic medicines globally, occupying a 20% share in global supply by volume, and is the leading vaccine manufacturer globally with a market share of 60%.

The performance of pharma exports in 2021-22 has been robust, sustaining growth despite the global trade disruptions and drop in demand for Covid-19-related treatments. Cumulative FDI in the pharma sector crossed the $ 20 billion mark in September 2022. Further, FDI inflows have increased four-fold over five years until September 2022, to $ 699 million, supported by investor-friendly policies and a positive outlook for the industry.

3 PLI Schemes to boost Manufacturing Capacity in the Healthcare Sector

Critical KSMs/DIs/APIs	Medical Devices	Pharmaceuticals
• Tenure: FY21 to FY30 • Outlay: ₹ 6,940 crores • Progress: Until Dec-22, 51 applicants approved with committed investment of ₹ 4,138.4 crores. • Employment: Estimated employment generation from 51 projects is 10,598 persons. • Financial incentive: NA	• Tenure: FY21 to FY28 • Outlay: ₹ 3,420 crores • Progress: Until Dec-22, 21 applicants approved with committed investment of ₹ 1,058.97 crores. • Employment: Estimated employment generation from 21 projects of around 6,411 persons. • Financial incentive: The financial incentive at the rate of 5% on incremental sales of medical devices for 5 years.	• Tenure: FY21 to FY28 • Outlay: ₹ 15,000 crores • Progress: Until Jun-22, 55 applicants approved with actual investment of ₹ 18,669 crores. • Employment: Estimated employment generation from 55 projects: 20,000 direct and 80,000 indirect jobs. • Financial Incentive: On incremental sales under various categories at varying rate over the years ranging from 10% to 3%.

Mergers & Acquisitions

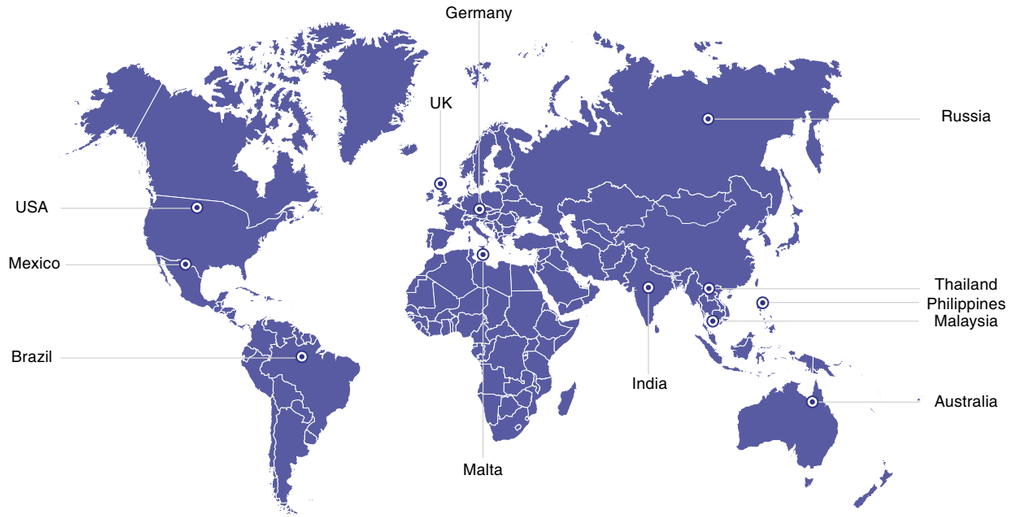
Healthcare M&A landscape: The market for mergers and acquisitions (M&A) in the healthcare industry went through consistent change in the last couple of years. Relatively healthy balance sheet and objective of consolidating in certain areas or specialties, were two major factors driving companies' M&A actions. The recent momentum points out that these M&A activities will continue at a steady pace in near to medium term. M&A objectives are likely to be focused on complex generics / value added / specialized manufacturing plays such as biosimilars. Several platforms have been constructed by buyouts funds in export API / Formulations space which should also drive acquisition demand to gain scale.

M&A trends in Indian Pharma: Several leading Indian pharmaceutical companies acquired brands to consolidate their growth in 2022. M&A in the Indian Pharma space was essentially two-pronged: Active Pharmaceutical Ingredient / CDMO (Contract Development and Manufacturing Organization) space and branded formulations space with focused therapy areas. As India's economy expands and matures, there was trends towards consolidation in all healthcare and pharma verticals. Companies were looking to create a strong entry barriers and establish themselves as an end-to-end service provider. Technology is playing an essential role in driving differentiation. In 2022-23, despite external pressures such as Russia-Ukraine crises and COVID-19 fears, major deals in the healthcare and pharma sector still came to pass and experts claim the trend will continue in 2023. M&A in healthcare is now dominated by domestic deals and continues to show good growth. This reflects the maturing of our M&A market and the conviction of the existing players in the underlying dynamics of the industry.

M&A Outlook: "Scale" of the business is going to be one of the major competitive strengths any company can have from a multiple stake-holders perspective – be it bagging large customers, hiring and retaining best-in-class talent and providing the returns to the investors. Capital from Private Equity players or Capital markets is one of the biggest factors driving M&A in the industry.

Performance Snapshot

The Company is one of the front-runners in the Indian pharmaceuticals industry having presence in domestic as well as International markets. The Company has subsidiaries across the globe as under. The Company also has major commercial presence in countries mainly covering Southeast Asia, Africa and the Middle East.



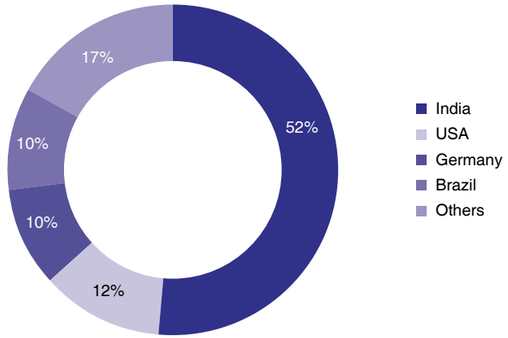
During the year 2022-23, the Company reported revenues of ₹ 9,620 crores, growth of 13% compared with ₹ 8,508 crores in the previous financial year.

The breakup of revenues under key territories is as under:

Revenue (₹ in crores)	2022-23		2021-22		Growth
	Amount	Share	Amount	Share	%
India	4,984	52%	4,286	50%	16%
USA	1,162	12%	1,067	13%	9%
Germany	928	10%	966	11%	-4%
Brazil	935	10%	742	9%	26%
Other countries	1,060	11%	881	10%	20%
Others	551	5%	567	7%	-3%
Total	**9,620**	**100%**	**8,508**	**100%**	**13%**

Core Competencies

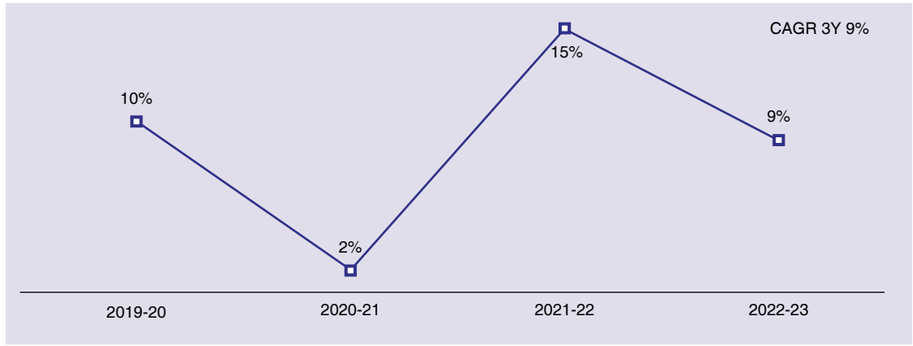
The Company has four major pharma markets - India, US, Germany and Brazil. The Company's strategic priorities in India and Brazil continue to focus on strengthening specialties, field force productivity and brand building. These markets remain a key priority for the Company and offer higher visibility and sustainability to the business. In the US and Germany, the Company continues to focus on its new product pipeline by developing diversified and moving towards complex products.



India:

The Indian pharmaceutical market (IPM) which is valued at more than $23 billion ($ to ₹ conversion @ ₹ 80) has demonstrated its resilience in 2022-23. Over the past several years, the IPM has exhibited a strong growth trajectory and is fundamentally poised to remain a double digit growth market owing to several demand levers over the coming years. With rising prevalence of chronic diseases a significant push towards increasing healthcare coverage towards a large set of the population coupled with government support and insurance coverage, volume growth in the IPM across all therapies is more than likely to sustain this momentum in the near term, and even increase over the medium term. Even though the industry had seen high double digit growth in the last year (2021-22) lead by acute therapy and base effect of previous year's post pandemic growth; current year has registered robust 9% growth driven by Chronic & Sub chronic segment. In 2023-24, IPM is anticipated to come back to double digit growth and should continue to grow at a higher rate (similar to pre-covid time) over the next couple of years. Field activity and marketing activities have reached the pre-covid time indicating consistency going forward.

Recent IPM growth trend (in value) is as follows:



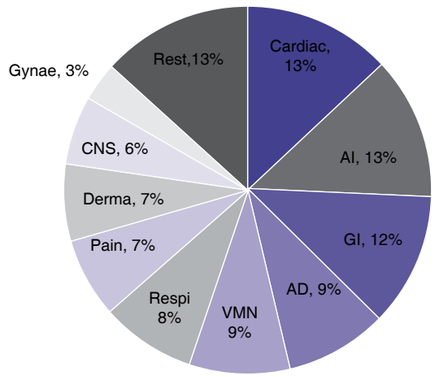
For the year ended 31st March, 2023, India continues to be the largest business unit contributing 52% to the overall revenues.

The Company is ranked 6th in the IPM (PY 8th) and continues to grow faster than the market (IPM 9% vs Torrent 16%). The Company stands 4th position among combined chronic / sub chronic therapy areas. 18 brands feature amongst Top 500 brands of the IPM. 13 brands (MBs) have revenues of more than 100 crores.

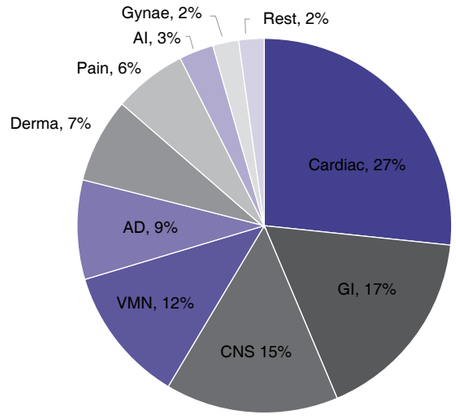
6th largest Company in IPM	**4th** ranked among combined chronic / sub chronic segment	**6th** ranked by prescription at specialists
18 Brands Amongst Top 500 brands in IPM	**13 Brands (MBs)** above 100 crores	Ranked amongst **Top 5** across CVD, VMN, CNS & GI therapy areas

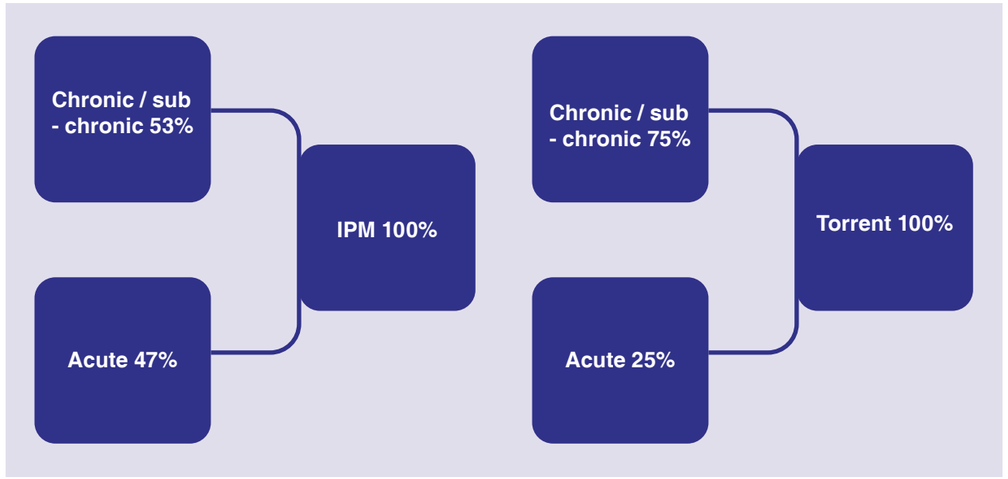
In IPM, Cardiac is the major contributor followed by Anti-Infective(AI), Gastro-intestinal(GI), Anti-diabetic(AD) and Vitamin Mineral Nutrients(VMN) segment. The Company has strong presence in Cardiac, Gastro Intestinal, CNS, Vitamin Minerals Nutrients, Anti diabetic & Dermatology and these therapies contribute ~80% to sales.

IPM



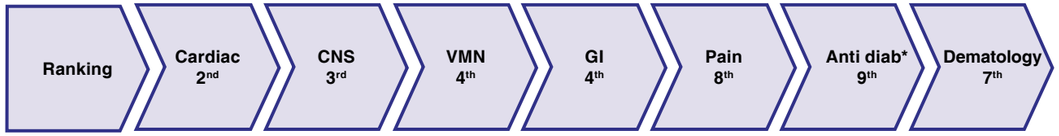
TPL





The Company continues to focus on chronic & sub chronic therapies as its main area of focus and anticipates to continue gaining market share in key sub-therapies. The Company has seen one rank improvement in each CNS, Gastro Intestinal and two rank improvement Pain and AI therapies compared to last year:

Ranking



*without Insulin

In October 2022, the Company acquired 100% stake in Curatio Health Care Private Limited (Curatio) and has strengthened its presence in the fast-growing dermatology segment. With this, the Company has entered the league of top ten players in the dermatology segment (ranked 7th) and will be the leader in the cosmetic dermatology space. Curatio has a strong portfolio of over 50 brands, marketed in India. Curatio's portfolio consists of leading brands such as Tedibar, Atogla, Spoo, B4 Nappi, and Permite, which are ranked amongst top five brands in their covered market. The Scheme for Amalgamation of Curatio was approved by Hon'ble National Company Law Tribunal ('NCLT'), Ahmedabad Bench on 17th May, 2023. Consequent to the approval, Curatio has been amalgamated with effect from appointed date of 14th October, 2022.

The Company entered into a strategic alliance with Boehringer Ingelheim India Private Limited (BI India) to co-market Cospiaq (Empagliflozin), Cospiaq MetTM (Empagliflozin+ Metformin) and Xilingio (Empagliflozin+ Linagliptin) in India.

Empagliflozin is a novel sodium glucose co-transporter-2 (SGLT-2) inhibitor that is useful for improving glycemic control in adults with type-2 diabetes mellitus. Empagliflozin is also indicated to reduce the risk of cardiovascular death in adults with type 2 diabetes mellitus and established cardiovascular disease.

The Company has forayed into the over-the-counter segment in the country with Shelcal 500, a calcium supplement brand (composition of 500mg Calcium and 250 IU of Vitamin D3) which helps optimise calcium absorption, increases bone density, improves muscle strength and helps boost immunity. The calcium is sourced from natural ingredients like oyster shell, having good absorption / bioavailability in the body.

New introductions in key therapies have been a focus area for the Company to drive higher than market growth and it has launched a significant number of new products in 2022-23.

The Company has entered into various segments linked to patent expiration launches, like Sitagliptin with its combinations; Vortioxetin, Apixaban where it is ranked 1st amongst the generic player. It has also entered high potential market of Sacubatril Valsartan and further in its pursuit to meet unmet therapy need it has launched several brand extensions which will continue to remain a focus for the coming years as well. Some important new introductions have been Vildagliptin+Dapagliflozin, Hair Serum, Bampedoic Acid with combination, Onco triple drug FDC.

In the coming year, the Company will continue to focus on Patex linked launches, brand extensions which will help to address the unmet need of the patient and complete its therapy basket.

Over the last year, the Company has entered into high potential markets and multiple new product launches, which has been backed by expansion of the field force across key therapeutic areas where we are present. This expansion will ensure to remain competitive in all focus markets without diluting focus on the existing portfolio. Expansion of field force has been done across its key therapeutic areas in Cardiology, Diabetology, Gastro & Multi specialty TAs. The Current MR strength is ~5,500.

Stable market, high chronic led growth, launch of differentiating portfolio clubbed with FF expansion will help to gain market share and further gain leadership position within the Industry.

Brazil:

Brazil is the largest pharmaceutical market in the Latin America and the 8th largest in the world. The Brazilian pharma market is estimated to be around BRL 231 billion (US$ 36 billion) by 2027 through a CAGR growth of 9-12%.

Brazil's economic scenario has shown some improvements in 2022 with a GDP growth of 2.9%, although lower than 2021 of 5.0%. Given the economic situation, the interest rate likely to continue at high level (2023 expected at 12.5%) & Projected GDP growth is likely to be 1%. Tax and administrative reforms are also part of the new government's agenda and are likely to be voted with transition rules to accommodate States and Municipalities existing tax benefits. Tax reform likely to be done in two phases: Federal Taxes and State Taxes.

Brazilian Pharmaceutical Market has been resilient, registering a growth of 12% for 2022-23 excluding patented products. Government subsidies under health care schemes has reduced while opportunity for the pharmaceutical companies to gain from direct sales to consumers is increasing. On the regulatory front, the Brazilian government has changed the patent regulation to allow early entry of generic players' thereby increasing access of innovator molecules at lower cost to patients.

During the year, Brazilian operations has registered revenue of BRL 598 Million or ~₹ 935 crores, registering INR Growth of 26% (Growth in BRL 13%). The company is now among top 25 companies in total Brazil pharma market and ranked 20th in the Branded generic market. The Company intend to gain market share through specialty focus, enhancing existing field force productivity & reach and new product launches. The company has also launched additional sales force team for CNS to support growth of mature brands and new launches. The company is also preparing for entry into newer therapeutic segments by 2024.

Among the Indian companies, in terms of value the Company ranks No. 1 (IQVIA dataset). Currently, it has commercialized 23 branded generics and 16 generic products. In its branded generic portfolio, the Company has 14 filings awaiting approval and further 11 new filing planned in the next 12 months. In addition, the Company has been building its portfolio in the Generic segment with parallel filings and launches of its branded generic products.

Germany:

Top 5 European markets are Germany, France, Italy, UK and Spain. Medicine spending in top 5 European countries will increase from US$ 204 billion in 2022 to US$ 263 billion in 2027. CAGR from 2022 to 2026 is expected to be 4% to 6%.

In 2022, Germany accounted for a significant market share of 20.21% followed by the UK with 16.05% and then France with 14.93% in Europe Pharmaceuticals packaging market which is owing to increasing demand for prescription drugs, presence of leading pharmaceutical players, well-developed infrastructure, and high investments in drug development. Germany is valued around $62.3 billion and is expected to grow at a CAGR of 4% to 7% through 2026 and is expected to become the third largest market globally by 2026 surpassing Japan. The German healthcare market is highly regulated, and the legislative pressure on pharmaceutical businesses to lower their sales prices of drugs for end-consumers is not overly high. Generics, including biosimilars, are expected to add $12 billion in growth over the next five years, about the same as in the past five years despite a larger impact of losses of exclusivity as volume gains will be offset by price deflation.

The Company's European business is mainly in Germany and UK, where the Company has its direct presence.

Revenues from Germany operations during 2022-23 were ₹ 928 crores (€ 111 Million) registering de growth of 4% in INR terms (Euro De-growth 1%). During the year, the Company has won incremental tenders and sales of which have started from H2 of 2022-23. Given these incremental tenders and new launches in the coming year positive momentum in growth is expected.

Among the generic players, the Company holds 5th position and is ranked No. 1 among Indian players in the German market.

USA:

USA continues to be the largest pharmaceutical market, accounting for approximately 45% of global pharmaceutical market and 22% of global production. The U.S. market, on a net price basis, is forecast to grow in low single digit over the next 5 years [IQVIA report on Global Use of Medicine 2023]. This growth is fuelled by the increased aging population in U.S. More than 15% of the U.S. population is above 65 years of age and this number is expected to continue to rise by 2023.

Market growth will likely be principally driven by the development and launch of innovative specialty drugs but will be partially tempered by existing drug patent expiries and cost reduction initiatives by payers.

Generic drugs play a vital role in facilitating access to lifesaving medicines and remain a public health priority for the U.S. Food and Drug administration (USFDA). The USFDA's generic drug program was created to enhance the availability of affordable, high-quality generic drugs in the United States. It is estimated that 91% of all prescription in the United States are filled as generic drugs, with more than 32,000 generic drugs approved by FDA to date. Generic drug competition generates billions of dollars in savings each year for consumer and our health system over higher priced brand-name drugs. For example, a recent FDA study showed the savings accrued during the first year after approval for new generic drugs approved in 2018, 2019 and 2020 to be approximately $53.3 billion.

Amid the challenges of a worldwide pandemic and rapidly advancing science, the USFDA's generic drug program continued steadfast efforts to help increase the availability of safe, effective, high-quality, more affordable drugs in the U.S.

In 2022, the USFDA approved or tentatively approved 914 generic drug applications (ANDAs), including 106 first generics. In one first generic example, FDA approved the first generic cyclosporine ophthalmic, emulsion, 0.5% a drug which helps millions of patients in the United States who suffer from dry eyes.

In 2022, FDA's generic drug program was extremely busy with efforts to steadily improve generic drug access. FDA is committed to addressing the high cost of medicines by encouraging robust and timely market competition for generic drugs through various initiatives, one of which is Drug Competition Action Plan (DCAP). Through this plan, FDA continues to improve the efficiency of the generic drug development, assessment, and approval process, maximize scientific and regulatory clarity with respect to complex generic drugs, and close loopholes that allow brand-name drug companies to "game" FDA rules in ways that delay the generic competition Congress intended. Bringing greater transparency to the generic drug assessment and approval process and removing barriers to generic drug development and market entry supports patients' access to the medicines they need at more affordable prices.

The Company is ranked No.12 amongst the US generic Indian companies and has a market share of around 10.5% in its covered market. Revenues from the US business were ₹ 1162 crores (Sales US$ 145 Million) during the financial year 2022-23 as compared to ₹ 1067 crores (Sales US$ 143 Million) in the previous year, registering INR growth of 9% (Growth in US$ 1%).

New approvals from facilities at Dahej and Indrad remained on hold awaiting inspection by USFDA. The Company has completed all the remediation actions and awaits guidance. The base portfolio continues to face increased pricing pressures on the back of significant consolidation and alliances formed by the customers, four of them now accounting for 85% of the generic purchase. It is expected the trend of pricing pressure and price erosion will continue for some more time.

The Company has filled 5 ANDA's during 2022-23. The Company has 102 ANDA approvals (including 3 tentative approvals) and its pipeline consists of 46 pending approvals (not including tentative or partnered filings) and 28 products under development to be filed over the next 3 years.

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. State-of-the-art Oral Oncology manufacturing facility [Gujarat], which will cater to both regulated and non-regulated markets, was inspected by USFDA and the Company has received its first product approval from the facility.

Research and Development

Company's pipeline includes several NDDS programs adapted for existing medications which will help the Company in creating differentiated product portfolio. Company is currently focusing its R&D efforts on several innovative projects in the area of complex generics with respect to oral solids, foams, ointments / creams and nasal delivery.

Novel Drug Delivery Systems (NDDS) have emerged from application of new technology platforms to design products with an aim to reposition existing drugs, if required through an alternate route of administration. The aim is to improve their performance with respect to efficacy, safety and patient compliance through enhanced bio-availability, targeted drug delivery, reducing the dose & frequency, quicker onset and longer duration of action.

To provide new impetus to the Company's interest in specialty complex generics viz. Oncology products, during 2022-23, three oncology products have been filed in US. The company has plans to file complex generics, as well as 505(b)2 products with the rationale of targeting unmet medical needs.

Threats, Risk and Concerns

Drug Price Control

The Ministry of Chemical and Fertilizers has revised the National List of Essential Medicines (NLEM) in September 2022, to include 384 drugs and 1029 formulation in the new NLEM list 2022. While a total of 34 medicines have been added, 26 medicines have been deleted to finalize the new list. During period December 2022 to March 2023 government has revised the ceiling price of the formulations under price control in accordance with para 18(i) of DPCO 2013 and has changed the mechanism of calculating the ceiling price of the newly added Drugs which are under the ambit of the revised policy, this in turn will affect the net margins of the Company.

Generics

The Government of India is encouraging use of generic products through various initiatives. This may have impact on future business strategies of the Company.

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.

In highly regulated business, the requirement 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 the 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 above risks related to the launch of new products and their regulatory approvals through careful market research for selection of new products, detailed project planning and continuous monitoring.

Product Liability Risk

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 adequate insurance cover for product liability. The Company is facing litigation on two of its products viz. Losartan and Valsartan in the US.

Litigation Risk

The Company may launch a generic product based on legal and commercial factors, even though patent litigation is pending. The outcome of such patent litigation could affect the Company's business adversely in case it is established by the court of law that there has been a patent infringement. In addition to the substantial liabilities for patent infringement, the Company may also incur high costs of litigation for defending against the infringement. 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.

Future Acquisition Proposals

The Company continuously looks for opportunities in order to expand its 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 and customers with whom the Company has been dealing.

Manufacturing & Supplying Risk

Although a major portion of the Company's finished formulations are being manufactured at in-house facilities, the Company also depend on third party suppliers for sourcing for some of the markets. Any significant disruption at in-house facilities or any third party manufacturing locations due to economic, regulatory political & social factors or any other event may impair the Company's ability to produce, procure and / or ship products to the markets on a timely basis and could expose the Company to penalties and claims from customers.

The Company purchases Active Pharmaceutical Ingredient (API) and other materials that it use in its manufacturing operations from 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 the Company has listed only one supplier in its application with regulatory agencies. An interruption in the supply from single sourced material can impact the financial performance of the Company. In addition, the Company's manufacturing capabilities could be impacted by quality deficiencies in the products, which its suppliers provide, leading to impact on its financial performance.

New Capital Investments

The Company continuously adds capacity to meet the increasing demand of pharma products from various markets. 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 under-utilization of capacities resulting in high manufacturing cost. The risks are sought to be mitigated by forming appropriate project management team and corporate management oversight.

Overseas Markets

The development of the business in overseas markets is a critical factor in determining future ability to sustain or increase global product revenues. This poses various challenges including volatile economic conditions, IP issues, developed market compliance standards, inadvertent breaches of local / international law and interventions by national governments or regulators restricting access to market and / or introducing adverse price controls. However, the Company carefully monitors the business scenarios of these markets, prepares the business plan and undertakes various researches to reduce the risk at the minimal level.

In US, consolidation of certain customer groups such as wholesale drug distribution and retail pharmacies as well as emergence of large buying groups continue to put pricing pressure. The consolidation results 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, prevalence and influence of managed care organizations and similar institutions potentially enable those groups to attempt to extract price discounts on the Company's products. The result of such developments could affect the sales volumes and price realizations of the Company's 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 erosion continues in the German generic market leading to pressure on 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 analysis, upgrading skills, 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.

Currency Fluctuation Risk

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, expenditure in foreign currencies, foreign currency borrowings 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

The Company has potential tax exposure resulting from application of varying laws and interpretations, which include intercompany transactions with subsidiaries in relation to various aspects of business. Although the Company believes its 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.

Base erosion Profit Shifting (BePS) action plan and reporting formulated by the OECD (Organization of economic Co-operation and development) has been implemented in India which provides for revised standards for transfer pricing documentation and country-by-country reporting of income, earnings, taxes paid and certain measure of economic activities. Accordingly, the Company has done the filings as per prescribed guidelines. There may be issues with respect to the resolution of disputes arising due to interpretation by different tax jurisdictions in different countries. The Company has taken adequate measures to ensure compliances of these guidelines.

Dependence on Information Technology

The Company is 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 and data leakage of confidential information either internally or otherwise. The Company keeps on investing appropriately on the protection of data and information technology to reduce these risks in addition to have taken insurance cover.

Business Continuity Risk

Potential disruption or failure of a company's operations due to unexpected events arise from various sources including natural disasters, supply chain disruptions, security breaches or cyberattacks, financial crises, regulatory changes or pandemics among others. Business continuity risks can have significant impacts on a company's financial performance, reputation and ability to continue operations. The Company has instituted various 'business continuity' measures including alternate sourcing strategies, carrying adequate inventories, vertical manufacturing integration, digital interventions, periodic review BCP and DRP plans, training on Emergency Response Plan etc.

Compliance Risk

As the company operate in multiple geographies globally, each having dynamic and complex regulatory landscape that continuously evolves, changes and undergoes increased scrutiny from the regulators. Failure to identify and / or comply with applicable statues and regulations globally may possess a threat to our business operations thereby affecting our financial and / or reputational standing. Regulatory risks are managed through a strong governance mechanism based on the philosophy of 'zero tolerance to non-compliance'. This is implemented through regular assessment of regulatory and compliance requirements, robust internal controls, continuous monitoring through compliance management systems and periodic reporting to senior management and the Board. Further, independent assessments and audit mechanism is put in place.

Pharmacovigilance Risk

Potential risks associated with the use of pharmaceutical products. These risks may include adverse drug reactions, unexpected side effects, drug interactions and medication errors. Pharmacovigilance is the practice of monitoring and evaluating the safety and effectiveness of pharmaceutical products throughout their life cycle. It is critical for ensuring patient safety and reducing the potential harm caused by company products. Any adverse and / or unexpected drug reaction possess significant threat to the Company's regular operations & reputation thereby impacting market & brand value, thus it is important to monitor the safety and effectiveness of these products to identify and mitigate any potential risks. The Company has established a global pharmacovigilance group comprising a team of experienced doctors and pharmacists in the field of pharmacovigilance. The global pharmacovigilance system supervises and integrates all affiliates' pharmacovigilance system. This ensures that any safety information or adverse events from any country are captured, evaluated and reported duly as per regional and global pharmacovigilance regulations.

R&D Risk

Challenges and uncertainties are inherent in innovation and development of new and improved products and technologies on which its continued growth and success depend. These include uncertainty of clinical outcomes, additional analysis of existing clinical data, obtaining regulatory approvals, health plan coverage and customer access and initial and continued commercial success. The Company manages the risks related to the launch of new products and their regulatory approvals through careful market research for selection of new products, detailed project planning and continuous monitoring. It's R&D activities are complemented with insurance programs suited to nature and propensity of risk

Competition Risk

Intensification of competition and threats of new entrants in existing key markets and therapies impede Company's ability to drive improvements in market share. Increased competition also lead to cost and margin pressure. For Branded Generic Markets, our mitigation strategies include - Specialty-driven approach and building brands, resulting in high prescription stickiness. Evolving patients' need are met through delivering innovative products in diverse dosage forms and fixed dosage combinations. Scientific detailing, delivery of quality products, competitive pricing, therapeutic focus sales structure together with low attrition etc will help in withering the competition risks. For Generic Generics markets, mitigation strategies include - ensuring supply continuity through a robust and agile supply chain and compliance at our manufacturing facilities, portfolio optimisation by incremental investment in R&D on complex drugs, diversified dosage forms and value-added generics, continually optimising cost structures and manufacturing productivity to remain competitive and sustain margins.

Cyber Security and Data Privacy Risk

Cybersecurity risk is the probability of exposure, loss of critical assets and sensitive information or reputational harm as a result of cyber-attack or breach within an organization's network. During recent past cyber-attacks such as ransomware, phishing and other forms of cyber-attacks continues to be a high risk for companies across the globe. Failure to protect personal data and comply with data privacy regulations cause potential risk for the companies in terms of financial penalties, intervention by regulators and reputational loss. In many geographical jurisdictions in which company operate, data protection laws exist to safeguard that right. Further GOI has also proposed to introduce data protection law in near future. The company have IT framework on Information security policy, secured IT system, robust access control and restricted Administrator privilege to restrict unauthorized access. Adequate e-mails protection and laptop encryptions are in place. Vulnerability assessment and penetration testing (VAPT) is performed yearly.

ESG Risk

Organisation must sustain growth in a continuously evolving global eco-system with unpredicted externalities. Sustainable value creation can no longer be agnostic of ESG risks, which has now evolved as new yardstick in addition to profitability and capital efficiency returns. The Company has developed ESG roadmap for 2022-25. This includes adopting a structured ESG framework and strategy, based on international standards and structures such as GRI, SASB, and many others. The Company has designed a multi-fold strategy, with four core ESG pillars, i.e., Responsible Consumption, Responsible Practices, Responsible Communication and Responsible Supply Chain, that will enable it to navigate its growth in a manner that maximises stakeholders' value, consistently and sustainably.

Human Resources

The total employee strength of the Company at the end of financial year 2022-23 was 15,407 against 13,923 at the end of financial year 2021-22, an increase of 1,484 employees.

Internal Control System

The Company has a robust system of internal controls 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 the 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 2022-23 compared with 2021-22

Summary Financial Information:

Particulars	2022-23		2021-22	
	₹ crores	% to Revenues	₹ crores	% to Revenues
Sales and Operating Income (Revenues)	9,620	100%	8,508	100%
Gross Profit	6,885	72%	6,066	71%
Selling, General and admin expenses (SG&A)	3,527	37%	3,119	37%
Research and Development Spend	516	5%	516	6%
Forex (Gain) / Loss	18	0%	(170)	2%
Other (Income)	(48)	(0%)	(20)	0%
EBIDTA	**2,872**	**30%**	**2,621**	**31%**
Depreciation / amortization	706	7%	662	8%
Net Interest expense / (Income)	319	4%	248	3%
Profit before tax and exceptional items	**1,847**	**19%**	**1,711**	**20%**
Exceptional Items			485	6%
Profit before tax and after exceptional items	**1,847**	**19%**	**1,226**	**14%**
Income Tax	602	6%	449	5%
Profit after Tax	**1,245**	**13%**	**777**	**9%**

Financial Performance

- Revenues grew by 13% to ₹ 9,620 crores from ₹ 8,508 crores in the previous year
- EBDITA grew by 10% to ₹ 2,872 crores from ₹ 2,621 crores in the previous year
- Depreciation and Amortization includes amount related to right of use of assets
- Borrowings increased by ₹ 1,279 crores

Working Capital and Liquidity

The trade working capital i.e. net working capital investment excluding current investments, cash and cash equivalents, bank balances other than cash and cash equivalents, loan given to employees, short term borrowings, current maturity of long term debt, derivative financial instruments and accruals for health insurance contracts (in Germany) reduced by ₹ 6 crores from ₹ 2864 crores at the end of financial year 2022-23 to ₹ 2,857 crores at the end of financial year 2022-23. The number of days of net trade working capital has reduced from 124 days in 2021-22 to 110 days in 2022-23.

Cash and cash equivalents including current investments was at ₹ 756 crores during the financial year 2022-23 compared to ₹ 613 crores at the end of financial year 2021-22.

Key Financial Ratios for 2022-23 compared with 2021-22

#	Particulars	2022-23	2021-22
Profitability ratios			
a)	Operating profit margin	30%	31%
b)	Net profit margin*	13%	14%
c)	Return on net worth*	20%	18%
Working capital ratios			
d)	Debtors turnover (days)	75	71
e)	Inventory turnover (days)	86	107
Gearing ratios			
f)	Interest coverage	7.56	9.03
g)	Debt / equity	0.57	0.52
Liquidity ratios			
h)	Current ratio	1.20	1.50

*Adjusted for exceptional items in PY

The ratios have been computed as follows:

- Operating profit margin : Revenues – (Cost of goods sold + employee benefits + other expenses)+ (Other income-Interest income) / Revenues
- Net profit margin : Profit after taxes / Revenues
- Return on net worth : Profit after taxes / Net worth (Net worth = Share capital + Reserves and Surplus)
- Debtors days : (Net sales / Trade receivables) * 365
- Inventory Days : (Net sales / Inventory) * 365
- Interest coverage : (Profit after tax + Deferred tax + Depreciation and amortization + Interest expense) / Interest expense
- Debt to equity : Debt / Net worth
- Debt : Long term borrowings (current and non-current portion)
- Net worth : Share capital + Reserves and surplusz
- Current ratio: Current assets / [Current liabilities less Current Maturities of Long-term debt]

For and on behalf of the Board of Directors

Samir Mehta
Executive Chairman
DIN: 00061903

Mumbai
30th May, 2023

References

1. World Economic Outlook, International Monetary Fund, 2023
2. Economic Survey of India, 2022-23
3. The Global Use of Medicines 2023: Outlook to 2027, IQVIA Institute for Human Data Science
4. AIOCD MAT March 2023 data set.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

FOREWORD

Torrent Pharma recognises the paramount importance of sustainability and has strategically integrated it into its decision-making process. The Company's unwavering commitment to responsible business practices lies at the core of its comprehensive governance framework, built upon principles of Transparency, Integrity and Accountability.

The Company acknowledges the pressing environmental threats and the crises posed by climate change, which have underscored the need for sustainable practices to establish long-term profitable businesses.

At Torrent Pharma, we firmly believe that attaining long-term business success is intrinsically tied to the pursuit of Environmental, Social and Governance (ESG) goals. As a responsible Corporate Citizen, we are dedicated to creating a robust business that operates responsibly, aligning with national priorities such as zero-carbon objectives and adhering to recognised global frameworks like GRI, SASB and UN SDGs. In our ongoing sustainability journey and commitment to the National Voluntary Guidelines, we voluntarily presented our inaugural Business Responsibility and Sustainability Report (BRSR) last year, as envisioned by the Securities and Exchange Board of India (SEBI).

To further improve our processes, policies and reporting, we are delighted to present our latest BRSR report. It encompasses a comprehensive set of measurable Key Performance Indicators (KPIs) for each of the nine principles which include ethical business practices, product stewardship, employee wellbeing, safety & development, stakeholder engagement, human rights, environmental stewardship, public policy advocacy, inclusive growth and responsible customer relationship.

SECTION A: GENERAL DISCLOSURES

I. Details of the Company

1	Corporate Identity Number (CIN) of the Company	L24230GJ1972PLC002126
2	Name of the Company	Torrent Pharmaceuticals Limited
3	Year of incorporation	1972
4	Registered office address	Torrent House, Off Ashram Road, Ahmedabad – 380 009
5	Corporate address	Torrent House, Off Ashram Road, Ahmedabad – 380 009
6	E-mail	investorservices@torrentpharma.com
7	Telephone	+91 79 26599000
8	Website	www.torrentpharma.com
9	Financial year for which reporting is being done	2022-23
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited, Mumbai (BSE); and National Stock Exchange of India Limited, Mumbai (NSE)
11	Paid-up Capital	₹ 169.23 crores as on 31st March, 2023
12	Contact Person	
	Name of the Person	Chintan Trivedi, Company Secretary
	Telephone	+91 79 26599000
	Email address	investorservices@torrentpharma.com
13	Reporting Boundary	
	Type of Reporting	Disclosures under this report are made on standalone basis for Torrent Pharmaceuticals Limited

II. Products / Services

14	Details of business activities	S. No.	Description of Main Activity	Description of Business Activity	% Turnover of the Entity
		1	Research & Development, Manufacturing, Marketing, and Distribution of Pharmaceutical Products	We are one of the leading pharmaceutical companies in India and are engaged in research, development, manufacturing, marketing and distribution of branded and generic pharmaceutical formulations in India and Internationally.	100%

15	Products / Services sold by the entity	S. No.	Product / Service	NIC Code	% of Total Turnover contributed
		1	Pharmaceutical products	Division 21 Group 210 Class 2100	100%

III. Operations

16	Number of locations where plants and / or operations / offices of the entity are situated:	Location	Number of plants	Number of Offices	Total
		National	8*	32	40
		International^	--	14	14
17	**Market served by the entity**	**Locations**	**Numbers**		
	a. No. of Locations	**National (No. of States)**	PAN India		
		International (No. of Countries)	More than 40 markets served across Asia, North America, Brazil, European Union & Rest of World		
	b. What is the contribution of exports as a percentage of the total turnover of the entity?	Standalone – 29% Consolidated – 43%			
	c. A brief on types of customers	Torrent Pharma serves across all segments of customers. At the core, the final customers are the patients who buy the products of the Company based on the prescriptions from the Doctors. The primary channel of distribution is through the wholesale drug distributors, stockiest and retail pharmacies. We also sell to the institutional segment which majorly includes government, semi-government institutions, hospitals, nursing homes, clinics, dispensing doctors etc.			

* includes R&D unit

^ includes offices of its Subsidiaries / Representative offices.

IV. Employees

18. Details as at the end of Financial Year:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
a.	**Employees and workers (including differently-abled)**					
Employees						
1	Permanent (D)	12,665	11,543	91%	1,122	9%
2	Other than Permanent (E)	326	309	95%	17	5%
3	Total Employees (D+E)	12,991	11,852	91%	1,139	9%
Workers						
4	Permanent (F)	582	548	94%	34	6%
5	Other than Permanent (G)	1,930	1,602	83%	328	17%
6	Total Workers (F+G)	2,512	2,150	86%	362	14%
b.	**Differently abled employees and workers**					
Differently Abled Employees						
7	Permanent (D)	28	24	86%	4	14%
8	Other than Permanent (E)	1	1	100%	0	0%
9	Total Differently Abled Employees (D+E)	29	25	86%	4	14%
Differently Abled Workers						
10	Permanent (F)	7	7	100%	0	0%
11	Other than Permanent (G)	11	11	100%	0	0%
12	Total Differently Abled Workers (F+G)	18	18	100%	0	0%

19. Participation / Inclusion / Representation of women

S. No.	Category	Total (A)	No. and % of females	
			No. (B)	% (B / A)
1	Board of Directors	10	2	20%
2	Key Management Personnel	5	0	0%

Note: Key Managerial Personnel includes Executive Chairman, Director (Operations), Whole-time Director, Chief Financial Officer and Company Secretary.

20. Turnover rate for permanent employees and workers

Category	FY 2022-23 (Turnover rate in current Financial Year)			FY 2021-22 (Turnover rate in previous Financial Year)			FY 2020-21 (Turnover rate in the year prior to previous Financial Year)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	10.9%	25.2%	12.2%	10.8%	24.4%	12.0%	8.0%	15.0%	8.6%
Permanent Workers	0.5%	0.0%	0.5%	0.0%	0.0%	0.0%	0.5%	0.0%	0.5%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21	S. No	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether it is a holding / Subsidiary / Associate / or Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes / No)
	1.	Torrent Investments Private Limited	Holding		
	2.	Zao Torrent Pharma	WOS	100%	All Policies / practices to the extent relevant are also applicable to the subsidiaries in conformity with the applicable laws
	3.	Torrent Do Brasil Ltda.	WOS	100%	
	4.	Torrent Pharma GmbH	WOS	100%	
	5.	Heumann Pharma GmbH & Co. Generica KG	WOS	100%	
	6.	Heunet Pharma GmbH	WOS	100%	
	7.	Torrent Pharma Inc.	WOS	100%	
	8.	Torrent Pharma Philippines Inc.	WOS	100%	
	9.	Laboratories Torrent, S.A. de C.V.	WOS	100%	
	10.	Torrent Australasia Pty. Ltd.	WOS	100%	
	11.	Torrent Pharma (Thailand) Co., Ltd.	WOS	100%	
	12.	Torrent Pharma (UK) Ltd.	WOS	100%	
	13.	Laboratories Torrent Malaysia SDN. BHD.	WOS	100%	
	14.	TPL (Malta) Ltd	WOS	100%	
	15.	Torrent Pharma (Malta) Ltd	WOS	100%	
	16.	Curatio Inc., Philippines^	WOS	100%	
	17.	Curatio International Lanka (Pvt.) Ltd, Sri Lanka^	WOS	100%	
	18.	UNM Foundation (Section 8 Company)	Associate	50%	

^ acquired w.e.f. 14th October, 2022

Note: Curatio Health Care (I) Private Limited, 100% equity shares of which was acquired by the Company on 14th October, 2022 was merged with the Company, vide the Order dated 17th May, 2023 of the National Company Law Tribunal, Ahmedabad Bench, with an Appointed date as 14th October, 2022.

VI. CSR Details

22			
	i.	Whether CSR is applicable as per section 135 of Companies Act, 2013:	Yes
	ii.	Turnover (in ₹ crores)	7,695
	iii.	Net worth (in ₹ crores)	6,456

VII. Transparency and Disclosures Compliances

23	Complaints / Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct	Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes / No) If Yes, then provide web-link for grievance redress policy	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)			
				Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	
		Communities	Yes. Policies which are required by the law is available on the website of the Company and the policies which are internal to the Company are available on the intranet of the Company	0	0		0	0		NA
		Investors (other than shareholders)		0	0		0	0		
		Shareholders		14	1		6	0		
		Employees and workers		13	0		12	2		
		Customers		1539	3		1559	185		
		Value Chain Partners		0	0		0	0		
		Others (Please Specify)								

24	Overview of the entity's material responsible business conduct issues	Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
		Product quality and safety	Risk	The use of high-quality and safe goods ensures that improved health outcomes are attained. Compromise on pharmaceutical product quality would imply a compromise on patients' overall health and wellbeing. This will also entail failure to comply with GxP (Good Laboratory Practices, Good Manufacturing Practices and Good Clinical Practices). Any lapse can lead to product withdrawals, recalls, regulatory action, decreased sales, reputational risk, increased litigation followed by increase in litigation expense.	• Drug product quality and patient safety are the fundamental principles for Torrent Pharma. The Company being in the healthcare sector, the nature of its business requires the utmost attention to the quality of its product. We have taken following measures to ensure resilience against the risk: • We have in place a strong Pharmacovigilance system through which all the stakeholders can access the adverse event / product complaint reporting form on the website of the Company or dedicated phone line and a dedicated mailbox. • The Pharmacovigilance department of the Company oversees monitoring and managing the safety of all our products throughout their lifespan, employing rigorous systems and procedures to ensure that manufacturing quality standards, GMP compliance, and other regulatory criteria are met. • Audits are conducted by the Quality Assurance department to ensure that our high-quality requirements are met. • 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 systems.	Negative
		Innovation: Strengthening R&D pipeline	Opportunity	Innovation and R&D play an important role in determining the long-term success of our Company. The cutting-edge research includes developing new processes for known APIs and developing value-added and differentiated formulations including complex generics. These developments come out as the differentiators for the Company, and thus, leads to an increase in revenues as well. We have committed to invest dedicatedly to tap opportunities and introduce new therapies, medical benefits, and formulations across the globe.		Positive

24	Overview of the entity's material responsible business conduct issues	Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
		Water and wastewater management	Risk	There is a great degree of dependency on uninterrupted supply of water for continued operations. Therefore, water management becomes crucial for the Company's operations. With changing climate and drought like conditions, water availability is increasingly becoming a risk across different geographies. Secondly, wastewater management is highly crucial for pharmaceutical industry. The presence of pharmaceutical compounds in the environment is recognized as emerging micro pollutants in aquatic environment, which can indirectly impact human and animal health. If not managed properly, it can lead to a high level of ecological risk.	The Company is not only adhering to the statutory criteria set forth by the Central Ground Water Authority, but it is also taking responsibility for reducing use through effective recycling. Water recycling systems are in place in water-stressed locations such as Indrad & Pithampur manufacturing facilities, Bileshwarpura project site and R&D centre. The water efficient designs limit the amount of water that can be utilized in different operations. Water usage monitoring across units enables us to strategize the reduction efforts. We also make certain that our effluents are treated properly before being reused or discharged. At our manufacturing facilities, we have a high-tech ETP and a three-stage effluent recycling RO system. For more information, please refer to 'Natural Capital' section of the Integrated Report.	Negative
		Energy efficiency and renewable energy	Opportunity	Renewable energy is expanding at a quicker rate than it has ever been before. The cost of renewable energy has dropped dramatically because of increased government support and continued research and development. Energy efficiency also serves as a major opportunity to reduce operational costs in the long term and is also one of the decarbonization levers for our Company. For more information, please refer to 'Natural Capital' section of the Integrated Report.		Positive
		Employee engagement, safety and well-being	Opportunity	Employees are our biggest assets. Robust employee engagement, safety, and well-being drives enhanced productivity for the Company. This material aspect is therefore an opportunity to integrate employees' views in the core functioning of the Company, while ensuring employee satisfaction and safety in each process.		Positive

24	Overview of the entity's material responsible business conduct issues	Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
		Equality	Opportunity	Investing in equality and diversity brings numerous benefits to the Company. From bringing skills to the team, respecting each employee's rights, promoting innovation and diverse views, enhancing a Company's reputation, and promoting new talent. We believe in giving equal opportunities to everyone irrespective of caste, gender, color, religion or any other bias.		Positive
		Ethics and business integrity	Risk	Torrent Pharma is a global Company with millions of stakeholders. Any ethical and business integrity breach can hamper the Company's credibility, employee morale and may result in significant fines and financial loss.	We have zero tolerance for any ethical and business integrity breach within the Company. The principles enshrined in the Company's Code of Business Conduct guide the work culture in terms of ethics and law. The Code in a real sense promotes honesty, trust, accountability and transparency. It establishes key corporate and organizational ideals that influence the value system and business operations. Every new employee receives a Code of Business Conduct orientation at the time of joining, ensuring that they fully comprehend, embrace, and adapt to the Code. Its implementation and adherence are aided by a powerful vigil mechanism that monitors deviations or disrespect in any form.	Negative
		Adherence to laws	Risk	Torrent Pharma operates in various territories and markets, each having its own regulatory landscape, which continuously evolves changes, and undergoes increased scrutiny from the regulators. Any non-compliance with regulations or scrutiny process can result in dilution of financial position or jeopardize the Company's reputation.	Regulatory risks are managed through a strong governance mechanism based on the philosophy of 'zero tolerance to non-compliance'. This is implemented through: • Assessment of regulatory and compliance requirements on regular basis • Robust internal controls • Compliance management systems and continuous monitoring • Internal communication and training on the ethics standards and compliance systems • Independent assessments and audits • Monitoring of Legal and regulatory compliance by Senior management and the Board	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

P1	Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive towards all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect and make efforts to protect and restore the environment
P7	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes										
1	a. Whether your entity's policy / policies cover each principle and its core elements of the NGRBCs. (Yes / No)	Yes						NA	Yes	
	b. Has the policy been approved by the Board? (Yes / No)	The policies have been either approved by the Board or senior functional head authorised by the Board in this respect.								
	c. Web Link of the Policies, if available	Yes. All polices which are required to be disclosed under various governing regulations have been placed on the website **www.torrentpharma.com**.								
2	Whether the entity has translated the policy into procedures. (Yes / No)	Yes						NA	Yes	
3	Do the enlisted policies extend to your value chain partners? (Yes / No)	Yes						NA	Yes	
4	Name of the national and international codes / certifications / labels / standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	• Our ERM Framework is aligned with COSO Framework • Our product quality is aligned with GxPs (Good Laboratory Practices, Good Manufacturing Practices and Good Clinical Practices) • The facilities and operational systems are strengthened with integration of ISO 14001:2015 and ISO 45001:2018 standards. • Our certain facilities are certified with ISO 50001 (Energy Management System). • Our Dahej manufacturing facility has received IGBC (Indian Green Building Council) silver certification. • Our Indrad and Dahej manufacturing facilities are certified with ISO 9001: 2015 (Quality Management System). • We have obtained ISO 27001:2013 (Information Security Management System) Certification for all information assets used for provision of IT support services for the identified locations.								
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company has drawn up an ESG roadmap which lays down the key aspects of Sustainability including timelines for achieving the targets.								
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The key performance targets are set, reviewed, and implemented as per the objectives taken. The Corporate Social Responsibility and Sustainability Committee reviews the progress periodically.								

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Governance, Leadership and Oversight										
7	**Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements.**	Torrent Pharma is continuously working on increasing medicine affordability and accessibility throughout the globe through production, research and distribution of generic medicines and making healthcare reachable to all. Our Company is built on Core values viz Integrity, Passion for Excellence, Participative Decision Making, Concern for Society & Environment, Fairness with Care and Transparency. Thus, working on sustainability is imbibed in our ethos, and the same is reflected through our values and behaviour towards sustainability and stakeholders. We recognize the global climate change challenge and pledges to reduce the carbon emission and energy consumption. Against this we have set the targets and identified focus areas and KPIs to track the progress to that end. To achieve these targets, action plans have been formulated to make use of hybrid renewable sources such as solar and wind power, bio-briquettes, flash steam systems and heat pumps. Even as we plan our growth by expanding in core geographies and investing in new markets, the commitment to make medicines accessible and affordable always persist. We instill sustainability in all our activities in order to create long-term value. This year we have conducted a detailed exercise to develop our ESG framework with clear targets and a roadmap to achieve the same. We are environmentally conscious and makes best possible efforts to minimize the carbon footprint. We are committed to extend sustainable operations even to our suppliers and contractors.								
8	**Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).**	**DIN-** 00406498 **Name-** Jinesh Shah **Designation-** Director (Operations) **Telephone No:** 079-26599000 **Email Id: investorservices@torrentpharma.com**								
9	**Does the entity have a specified Committee of the Board / Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.**	Yes. In order to strengthen our commitment towards sustainability, the Board expanded the scope of the Corporate Social Responsibility Committee and re-designated it as the Corporate Social Responsibility and Sustainability Committee. The Committee supports the Board on all matters relating to Sustainability. The Committee inter-alia reviews the implementation progress of sustainability strategy along with its key performance indicators and defines action plan as may be appropriate from time to time to achieve the same.								

10. Details of Review of NGRBCs by the Company:

	Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee	Frequency (Annually / Half yearly / Quarterly / Any other – please specify)
Performance against above policies and follow up action	Yes	On a regular basis
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Yes	On a need basis

11. Has the entity carried out independent assessment / evaluation of the working of its policies by an external agency? (Yes / No). If yes, provide name of the agency

The processes and compliances are assessed by internal auditors and Statutory auditors, as applicable. On the regular basis, the policies are reviewed and updated by senior functional heads and approved by the management, Committees of Directors or Board.

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

With respect to Principle 7, the answer is "Not Applicable" as the Company does not have a separate policy on public advocacy. For advocacies related to pharma industry, the Company works through industry associations such as Indian Pharmaceutical Alliance (IPA), Indian Drug Manufacturing Association (IDMA) and others. For more information, please refer to Principle 7.

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.



At Torrent Pharma, we always believe that the highest level of Corporate Governance practices is pre-requisite for growing sustainable and successful business. The sound governance processes and systems guide the Company on its journey towards continued success. We are always committed to fostering a culture where TRANSPARENCY, INTEGRITY and ACCOUNTABILITY is woven into the fabric of everything that we do. We ensure that the Company and its employees act in a way that is effective, ethical, accountable, and transparent at all levels. On a continual basis, we also maintain responsive, inclusive, participative, and representative decision-making.

Our Core Values, which we believe in and constantly strive to build are Integrity, Passion for Excellence, Participative Decision Making, Concern for Society & Environment, Fairness with Care and Transparency.

Each of these Timeless Values, a Pillar of Strength, ENSURES OUR LONGEVITY.

INTEGRITY: When Truth is Paramount

Thoughts and actions entail doing the right thing at all times and in all circumstances; whether or not anyone is watching. This requires inner courage and conviction, no matter what the consequences are. It is honoring one's commitments and being accountable for one's actions, end-to-end.

PASSION FOR EXCELLENCE: When best is not enough

Passion for excellence means not doing extra-ordinary things, but doing ordinary things in all pursuits exceedingly well. Passion and excellence are forces that fuel each other on the exclusive path to leadership. As we are what we repeatedly do, excellence then is not an act, but a habit.

PARTICIPATIVE DECISION MAKING: Involvement that engenders effectiveness

An ideal organisation facilitates participation and involvement of each of its members in various decision making processes, thus ensuring their commitment to such decisions as well as its outcome. It provides a platform for seeking and nurturing constructive ideas from individuals, teams and units which eventually yields exceptional results.

CONCERN FOR SOCIETY & ENVIRONMENT: When every smile matters

Concern for Society & Environment is a sense of responsibility and contribution to society that defines our existence. It entails making a difference in the quality of lives and environment surrounding us. It is important to encourage fellow-members on collective as well as individual basis to fulfil the responsibility of leaving behind a world rich in flora and fauna and rich in time tested values and ideals and above all rich in social fervour for our future generations.

FAIRNESS WITH CARE: Harnessing equality

Fairness and Care towards all fellow members are inextricably linked. Weaving the threads of equality, irrespective of caste, creed, religion and gender, into the day-to-day fabric, ensures fairness for each and every individual. Empathic care recognizes needs and aspirations of all. Only such fairness and care eventually lead fellow members to the dawn of eternal success.

TRANSPARENCY: Openness that builds enduring trust

Transparency implies openness. It is the opposite of secrecy. It encourages more informed decision making and aids in creating enduring trust among all stakeholders.

Our Core values are aligned with the nine Principles of NGRBC.

Torrent Pharma firmly believes and adheres to transparent, fair and ethical governance practices to encourage professionalism, honesty, integrity and ethical behavior. We take inspiration from the value "INTEGRITY" and "TRANSPARENCY" and consistently maintains the high level of fairness in all our dealing with the Stakeholders. The Board of Directors have formulated a Code of Business Conduct ("the Code"), which is applicable to all the employees and Board Members of the Company, and which lays down the important corporate ethical practices that shape the Company's business practices and represents the ever-cherished values of the Company. The Code is an extension of our values and reflects our continued commitment to ethical business practices across our operations.

In this endeavor to create enduring value for all our stakeholders and to ensure the highest level of honesty, integrity and ethics in all its operations, the Company has adopted the 'Whistle Blower Policy'. Through this Policy, the Company encourages its stakeholders to bring to the Company's attention any instances of unethical behavior, actual or suspected incidents of fraud or violation of Company's Code of Business Conduct that could adversely impact the Company's operation, business performance and reputation.

In order to protect investors' interest, we have adopted Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons.

The Related Party Transactions Policy of the Company provides the process for the approval of various types of Related Party Transactions (RPTs) and general principles governing RPTs. This brings necessary transparency in the RPTs and ensures that the transactions are fair and in compliance with the applicable laws and regulations.

The Policy on Materiality of Events or Information brings consistency in the disclosure of various events or information to the Stock Exchanges in accordance with the thresholds determined.

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact
Board of Directors / Key Managerial Personnel	The Directors of the Company at the time of their appointment are acquainted on the Company's Core Values, Code of Business Conduct and their roles and responsibilities as the director along with Company's operations / business and the industry in which it operates. Further at each meeting of the Board and Committees, the Directors and KMPs are apprised, inter alia, of the material developments in the Company & industry as a whole, material regulatory updates impacting the operations of the Company and key integrity matters that helps to reflect and focus on key strategies. During the year, various familiarization programmes have been undertaken broadly covering the array of matters relating to Company's strategic plans, business regulations, regulatory changes, updates on CSR initiatives undertaken, Risk management framework and key risks faced by the Company, economy and environmental, social and governance parameters etc.	
Employees & workers other than BODs and KMPs	At Torrent Pharma, we strongly believe in upskilling our employees by providing various functional as well as general training. We have identified various skills which are relevant to the employees and workers based on their work requirements. On joining, the employees and workers are oriented on various functional and non-functional aspects of the organisation. Detailed orientation program is conducted on the Company's Core Values, Ethical Business Practices, Code of Business Conduct, Prohibition of Insider Trading Code and Organization's work culture. Further on the regular basis, along with functional aspects, they also undergo various training programmes on employee's wellbeing, Health & Safety, skill updating programmes, Whistle blower mechanism, Prevention of Sexual harassment at workplaces etc. More information on training and development can be identified in 'Human Capital' section of Integrated Report	

2. Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators / law enforcement agencies / judicial institutions, in the financial year (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the Company's website)

During the financial year, no penalty / fine, settlement, compounding fee, imprisonment, or any kind of punishment has been imposed on the Company or its KMPs.

3. Of the instances disclosed in Question 2 above, details of the Appeal / Revision preferred in cases where monetary or non-monetary action has been appealed.

Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The Code of Business Conduct and Whistle Blower Policy adopted by the Company are in line with the legal and statutory framework on anti-bribery and anti-corruption in India. For more information, please refer preamble to Principle 1

5. Number of Directors / KMPs / employees / workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption:

During the financial year, no disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption against the Company's Directors, KMPs, employees or workers.

6. Details of complaints with regard to conflict of interest:

No complaints were received in relation to Conflict of Interest of the Directors or KMPs during FY 2022-23 and FY 2021-22.

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and Conflicts of interest.

Not Applicable

LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Torrent Pharma is moving rapidly with respect to sustainable capacity building of all our stakeholders. We believe our suppliers play a critical role in our Business Responsibility and Sustainability agenda. We have taken on the responsibility for sensitising and encouraging our vendors to follow the path of sustainability. The Company has created supplier criteria to ensure that their goals and missions are aligned with its own. We have a strong emphasis on ESG factors in addition to general competences, finances, and capacity. Further, during the reporting year, a lot of attention was devoted to operations and procedures in order to reduce waste and make processes more energy efficient and we have also advanced the procurement process this year by ensuring that we work with environmentally and socially responsible vendors. For more details on our supplier engagement please refer to 'Manufacturing Capital' section of Integrated Reporting.

2. Does the entity have processes in place to avoid / manage conflict of interests involving members of the Board? (Yes / No) If Yes, provide details of the same.

Yes. We have a Code of Business Conduct ("Code") for the Directors and Senior Management to ensure that they exercise the utmost care when engaging in any transaction that may conflict with the interest of the Company, either directly or indirectly. The Code covers the issues on Integrity, Gifts, Conflict of Interest, Legal compliance, Respect for people, Environmental commitment, Safety, Confidential & Proprietary Information, Financial Information, Company assets, Computer Network use & Security, Records maintenance and Management.

The Code adopted by the Company has been posted on the website of the Company. The members of the Board and Senior Management of the Company submit their affirmation on the compliance with the Code on an annual basis.

Designated Persons, whether dealing in personal or official capacity, are expected to avoid activities, agreements, positions, business investments or interests, and other situations that are in conflict or appear conflicting with interests of the Company or that may interfere with the discharge of their duties to the Company.

We, therefore, ensure 100% compliance to Code which ensures zero conflict of interest.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

The Company's core value "PASSION for EXCELLENCE" demonstrates its commitment to focus on Drug Product quality and patient safety. We invest significant amount in R&D for product development and sustainability. We also adopted innovative strategies to progress from clinical supply route to sustainable commercial manufacturing process that are cost-efficient and environmentally friendly. This directly reflects our commitment towards providing sustainable and safe products and services.

ESSENTIAL INDICATORS

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Torrent Pharma's commitment to enhancing the quality of life by producing high-quality drugs and making significant contributions to society is reflected in its in-house API manufacturing. With the API industry increasingly demanding simple and cost-effective manufacturing techniques, Torrent's in-house API R&D team focuses on novel, non-infringing, robust, and scalable processes for complex generics. The prime focus is on environmentally safe, efficient, and cost-effective processes and patenting them with a strategic plan.

As compared to the existing commercial process, the manufacturing process was designed and optimized in such a way that stoichiometric quantities of reagents were used leading to a clean reaction and thus avoiding the formation of toxic impurities / side products and thereby improving the yield, process time cycle reduced by 70% and substantial decrease in the waste generation.

The process development of an anticonvulsant medication for the treatment of a serious genetic brain disorder in children was done in such a way to include use of single solvent throughout the multiple step synthesis along with utilizing safe, mild reagents and process conditions. The input quantities of starting materials, reagents and solvents were studied and stoichiometric ratios were optimized to minimize the generation of impurities, by-products and waste. This is optimised to operate at ambient temperature and achieve desired particle size directly through crystallisation, resulting in less energy consumption and environmental impact.

Our R&D team has developed an innovative and robust process (patent applied) for a potentially more potent and safer steroid-genesis inhibitor used to treat an orphan disease. The process avoids the use of hazardous chemicals and high-temperature reactions, resulting in a significantly cheaper API, and has been developed by minimising the number of steps.

As a part of the ESG roadmap, we have invested an amount of ₹ 85 crores in Hybrid Solar-Wind project to meet the captive power requirement and to reduce the carbon footprints significantly. The renewable energy to be generated from the Hybrid project will contribute to 30% of the total electricity consumption at Indrad manufacturing facility, Bileshwarpura Project site and R&D Centre of the Company. Further, the investment of ₹ 35 crores in Briquette Boiler for Indrad, Dahej and Baddi manufacturing facilities will result into replacement of fossil fuel with biofuel which will further lead to reduction in carbon footprint.

2. Does the entity have procedures in place for sustainable sourcing? (Yes / No). If yes, what percentage of inputs were sourced sustainably?

Torrent Pharma is on an ESG Transforming journey, and it believes supplier collaboration as crucial to doubling its effect. We have initiated sensitising and encouraging our vendors to follow the road of sustainability with the goal of driving sustainable behaviour beyond their manufacturing facilities. Keeping in mind the best interests of the patients, the Company endeavours to work with responsible suppliers who adhere to the uniform quality, social and environmental standards as Torrent.

We have standard operating procedures for the evaluation and selection of our vendors for sourcing of material. This includes the evaluation of the EHS resources and their compliance by suppliers and vendors for key raw materials / APIs and intermediates. We have system of identifying and / or developing alternate vendors where single vendor is considered critical for business continuity. For more information, please refer to 'Manufacturing Capital' section of Integrated report.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) Other waste.

Product	Process to safely reclaim the product
a. Plastics (including packaging)	Under the Plastic Waste Management Rules, 2016, the Company is registered as a Brand Owner with Central Pollution Control Board (CPCB). Pursuant to this, 844 MT per annum equivalent quantity of plastic waste was collected from PAN India during the year under review and recycled and co-processed in cement industries. The Company is fully Compliant with the Plastic Waste Management Rules as applicable.
b. E-Waste	E-waste is disposed of through registered recycler.
c. Hazardous Waste	Hazardous waste is disposed off through pre-processing, co-processing, incineration, landfill and by selling to authorised re-cycling & decontamination facility of registered recyclers. Expired / near expiry / rejected medicines are taken back from the distributors and disposed off (co-processed) in cement plants like other hazardous waste.
d. Other Waste	Bio-medical waste is disposed off through Common Bio-medical Waste Treatment and Disposal Facility (CBWTF) incinerator.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, EPR is applicable to the Company's activities and the waste collection plan is in line with the EPR action plan submitted to Central Pollution Control Board (CPCB). The usage of plastic for packaging the finished product is as per norms as laid down by the Pollution Control Board. Further the process is in place for receipt and disposal of plastic and is in line with the applicable Statutory regulations.

LEADERSHIP INDICATORS

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

No

2. If there are any significant social or environmental concerns and / or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

There has been no substantial risk identified in our internal assessment for disposal of products.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate Input Material	Recycled or re-used input material to total material	
	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Solvent in API Process	13.51%	0

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Reused	Recycled	Safely Disposed	Reused	Recycled	Safely Disposed
Plastics (including packaging)	-	268.00	576.00	-	323.00	693.00
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	430.00	-	-	388.16
Other waste	-	-	-	-	-	-

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Plastic Packaging	70% (As per applicable statutory norms)

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.

At Torrent Pharma, the health and wellbeing of its employees is a top priority for the Company, which is reflected in its core values. We are committed towards creating a work environment that ensures employee safety, guarantees equality and provides encouraging and varied opportunities. This has been embodied in our core values of “FAIRNESS WITH CARE” and “PARTICIPATIVE DECISION MAKING”. Employees, business teams, vendors, and other stakeholders were aided and encouraged to follow best practices for human safety and safe working environments

ESSENTIAL INDICATORS

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by									
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B / A)	No. (C)	%(C / A)	No.(D)	%(D / A)	No. (E)	%(E / A)	No. (F)	%(F / A)
Permanent Employees											
Male	11,543	11,542	100%	11,542	100%	0	0%	19^	0%	0	0%
Female	1,122	1,118	100%	1,122	100%	1,122	100%	0	0%	887	79%
Total	12,665	12,660	100%	12,664	100%	1,122	9%	19	0%	887	7%
Other than Permanent Employees											
Male	309	309	100%	309	100%	0	0%	0	0%	0	0%
Female	17	17	100%	17	100%	17	100%	0	0%	17	100%
Total	326	326	100%	326	100%	17	5%	0	0%	17	5%

^ Paternity benefits provided by the Government

b. Details of measures for the well-being of workers:

Category	% of workers covered by									
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B / A)	No. (C)	%(C / A)	No.(D)	%(D / A)	No. (E)	%(E / A)	No. (F)	%(F / A)
Permanent workers											
Male	548	548	100%	548	100%	0	0%	0	0%	0	0%
Female	34	34	100%	34	100%	34	100%	0	0%	34	100%
Total	582	582	100%	582	100%	34	6%	0	0%	34	6%
Other than Permanent workers											
Male	1,602	1,602	100%	1,602	100%	0	0%	0	0%	0	0%
Female	328	328	100%	328	100%	328	100%	0	0%	327	100%
Total	1,930	1,930	100%	1,930	100%	328	17%	0	0%	327	17%

2. Details of retirement benefits, for Current and Previous Financial Year:

Sr.No.	Benefits	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
		No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y / N / N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y / N / N.A.)
1	**PF**	100%	100%	Y	100%	100%	Y
2	**Gratuity**	100%	100%	Y	100%	100%	Y
3	**ESI***	11%	37%	Y	12%	31%	Y
4	**Others-Superannuation**	45%	NA	Y	46%	NA	Y

*Those not covered under ESI, are covered through group Mediclaim policy.

3. Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

We at Torrent Pharma believe that everyone is equal and provide workplace accessibility, particularly for people with disabilities. All our facilities and offices are accessible to differently abled employees. All our utilities have been constructed with accessibility in mind to differently abled employees. Many of these employees continue to be with us and develop a good career with us.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Torrent Pharma provides an inclusive work culture and a discrimination-free environment for all its employees. It is an integral part of Human Rights Policy. Our core values and embraces principles of diversity and ensures zero discrimination against anyone based on race, gender, religion / beliefs, disability, marital or civil partnership status, age, sexual orientation, gender identity, gender expression, caring responsibilities, or any other protected class of person in the country.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Return to work rate	Retention Rate
Permanent Employees		
Male	NA	NA
Female	86%	80%
Total	86%	80%
Permanent Workers		
Male	NA	NA
Female	NA	NA
Total	NA	NA

6. Is there a mechanism available to receive and redress grievances of employees and workers? If yes, give details of the mechanism in brief.

At Torrent Pharma, we value our employees and believe that Torrent’s success is an outcome of the collective contribution of all our employees. We have in place an appropriate grievance redressal mechanism wherein employees can directly report their concerns to their Head of Department, HR head or any members of Senior management. We have a Worker's Union for shop floor personnel, where their issues are addressed. We also have an Open-Door Policy / Whistle blower Policy for all employees.

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	%(D / C)
Permanent Employees						
Male	11,543	0	0%	11,002	0	0%
Female	1,122	0	0%	1,101	0	0%
Total	12,665	0	0%	12,103	0	0%
Permanent Workers						
Male	548	548	100%	565	565	100%
Female	34	34	100%	35	35	100%
Total	582	582	100%	600	600	100%

8. Details of training given to employees and workers:

a. Details of Skill training given to employees and workers.	Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
		Total employees / workers in respective category (A)	No. of employees / workers in respective category, who received Skill Training (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who received Skill Training (D)	%(D / C)
	Employees						
	Male	11,852	7,681	65%	11,188	10,072	90%
	Female	1,139	902	79%	1,122	954	85%
	Total	12,991	8,583	66%	12,310	11,026	90%
	Workers						
	Male	2,150	2,150	100%	2,120	2,120	100%
	Female	362	362	100%	288	288	100%
	Total	2,512	2,512	100%	2,408	2,408	100%

b. Details of training on Health and Safety given to employees and workers.	Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
		Total employees / workers in respective category (A)	No. of employees / workers in respective category, who received training on Health and Safety (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who received training on Health and Safety (D)	%(D / C)
	Employees						
	Male	11,852	11,838	100%	11,188	11,177	100%
	Female	1,139	1,104	97%	1,122	1,097	98%
	Total	12,991	12,942	100%	12,310	12,274	100%
	Workers						
	Male	2,150	2,150	100%	2,120	2,120	100%
	Female	362	362	100%	288	288	100%
	Total	2,512	2,512	100%	2,408	2,408	100%

9. Details of performance and career development reviews of employees and worker:

Over the year, the line managers regularly review and discusses possible improvements on the current performance and ensure the goals of the department are achieved. These interactions aid in aligning the employee's contributions to overall business needs. The goal of Performance Enhancement Program is to gain a better understanding of an employee's strengths and weaknesses, provide constructive feedback for future skill development and assist with Goal Planning. During the Annual Performance Management exercise, every employee is subjected to the annual performance evaluation process.

We have an inbuilt robust tool for ensuring the conduct of Performance Appraisal process in a fair and impartial manner. A strong in-built mechanism ensures that the Performance Appraisal process is conducted in a fair and impartial manner. The process is comparable across all the Torrent Group's entities and is initiated by the Group HR across the companies. The Annual Performance Review comprises the following features:

1. Informing all employees of the Annual Performance Appraisal process
2. Ensure the performance review is conducted as per the defined process
3. Every employee is evaluated based on the set targets and defined competencies and accordingly scores are awarded. Weightage is also given for employee's contribution to specific projects.
4. Later the appraisal tool normalizes the scores and based on the normalized score increment is awarded

With regards to workers in manufacturing facilities, we have Wage settlement in place and increments are given to the workers as per the Agreement signed.

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	11,852	10,059	85%	11,188	9,805	88%
Female	1,139	883	78%	1,122	879	78%
Total	12,991	10,942	84%	12,310	10,684	87%
Workers						
Male	548	548	100%	565	565	100%
Female	34	34	100%	35	35	100%
Total	582	582	100%	600	600	100%

Note: Out of 12,991 employees, 10,942 employees were eligible for performance and career development reviews during the year.

10. Health and safety management system:

Every employee's health and safety is crucial to Torrent Pharma and these values are ingrained in our basic organizational ethos. We are committed to putting Health and Safety at the centre of all our activities. Our EHS function is efficiently driven by established EHS Policy which is applied uniformly to all our manufacturing facilities, Corporate Offices and R&D Centre. Our contractors are well covered by various HSE drives. Policy is regularly evaluated and updated with consideration of International Organisation for Standardisation (ISO) and other global requirements to ensure that our EHS system remains globally oriented and best in class.

We have following measures in place to create a safe working environment for our employees and to address work related hazards:

- Near misses and incidents are frequently eliminated through routine safety inspections.
- The department head issues a permit to work system for non-routine activities and critical works for a set length of time.
- Internal audits are carried out by internal professionals to guarantee that safe practises are best implemented.
- External audits are conducted by subject experts in order to ensure safe practices.
- Every essential process undergoes HAZOP studies, which include hazard identification and risk assessment by departmental activity.

We have the system of incident reporting which allows us to keep track of any incidents that occur at any location and based on such reporting Corrective Action and Preventive Action ('CAPA') / Learning from Incident ('LFI') reporting is issued to all the concerned persons, which help us to prevent re-occurrence of similar incidents in future.

We have full-time doctor(s) at all our manufacturing facilities, who attend to any medical issues that arise. Employees and their immediate families have medical insurance or are covered under ESI benefits that covers hospitalisation costs in the event of an accident or other unforeseen medical emergencies.

11. Details of safety related incidents, in the following format:

Safety Incident / Number	Category	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees and Workers	0.10	0.10
Total recordable work-related injuries	Employees	1	2
	Workers	1	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

Note: Includes figures of industrial premises only

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

To ensure a safe and healthy workplace, we have implemented best practices like SOPs are available and accessible in local language which is followed by every personnel working within, Permit to work system is implemented to track the non-routine and critical activities carried out, Use of PPE's are mandatory for every worker, External and internal HSE specialists provide regular health and safety training to all employees and contract workers. Mock drills and fire drills are being carried out to evaluate the Company's emergency readiness as well as safety measures in the event of any unexpected or undesirable occurrences. The highest standards of hygiene and housekeeping are upheld, and the organization operates on a well-maintained HVAC system. Additionally, department-specific safety manuals are in place and are adhered to by all employees.

13. Number of Complaints on the Working Conditions and Health & Safety made by employees and workers:

No complaints have been received from the employees and workers on Working Conditions and Health & Safety measures during FY 2022-23 and FY 2021-22.

14. Assessments for the year:

Topic	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

We have implemented various activities as proactive measures and risk assessments such as the deployment of an Earth Monitoring Relay and Earthing Station to interrupt the electrical circuit in case of static electricity generation, provision of rupture disk in addition to the safety valve in old reactors and installation of camera in the staff bus driver's cabin to monitor the driver's behavior while driving. As a part of process safety management initiative, Hazop (Hazard & Operability Study) of major API products are being carried out in line with IEC 61882.

Special inhouse designed low height approach working platform procured for easy access and safe working with FBP.

PSSR (Pre-Startup Safety Review) in place for new operations / machines for identification and resolution of risks.

Sharing of all incidents with CAPA for compliance at all manufacturing facilities. We have developed a portal for generating statistical data in graphical format as well as quick retrieval of history.

Installation of CO2 flooding system for electrical power panels. This enhances safety of isolated stations.

Modular type fire extinguishers are installed at unmanned areas where fire load is higher viz documents / record rooms.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y / N) (B) Workers (Y / N).

We extend the benefit of medical insurance and Group Personal Accident Policy for all our employees. Further, we have in place the Conviction of Safety Policy which substantially compensates the employees who have been adversely affected by accident and the unfortunate event of Death or Permanent / Temporary disablement. We also have in place a policy on financial support that compensates on the event of demise. Benefits like provident fund, extended gratuity payment and superannuation are settled on a priority basis.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

At Torrent Pharma, we always adhere to the regulatory and applicable compliance with numerous laws. We ensure that our value chain partners also follow relevant compliance, and it is an essential part of the contract agreed with the service provider. We also collect previous month deposit challans before releasing money to the service provider for statutory payments.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

No high consequence work-related injury / ill-health / fatalities reported during FY 2022-23 and FY 2021-22.

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes / No).

For employees who are about to get retired, we offer them retirement planning advice. Also, we provide 4-6 weeks' time to an employee who is transferred internally so that they get adequate time to adapt to the change.

5. Details on assessment of value chain partners:

Topic	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100%
Working Conditions	All LLM sites were audited according to a set of guidelines.

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Few recommendations were received during the assessments, which have been addressed internally. However, no significant risks / concerns were observed owing to extreme vigilance and efforts put on health and safety within the Company.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

At Torrent Pharma, we believe that ensuring the success of our business requires us to meet the expectations of our growing group of stakeholders which includes Patients, Channel Partners, Suppliers, Health Care Professionals, Government and Regulators, Industry Associations, Investors and Shareholders, Communities and Employees. We recognize that it is very important to engage with our key stakeholders as their feedback helps in enhancing the value creation process. Effective engagement of Stakeholders enables the Company to nurture overall relationship quotient while giving the stakeholders a transparent view of the Organisation's activities and approach to business. Therefore, performing accurate stakeholder identification, undertaking comprehensive stakeholder engagement, doing efficient stakeholder consultations and getting timely stakeholder feedbacks forms the core of our business activities. We have always partnered with our stakeholders and believed in sharing the fruits of socio-economic progress.

We perform these procedures for our business continuity, transparency and to enhance our sustainability agenda.

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity:

The entire value chain of Torrent Pharma is facilitated by its stakeholders, who are integral to its very existence. From providers of financial capital to the communities that allow a social license to operate, stakeholders play a vital role in the overall development and sustainable growth of our business. The Company first identifies all its key stakeholders on a regular basis, who could be impacted by the Company's operations evaluate them based on their ability to influence Torrent Pharma and understand what matters the most to them. For more information on stakeholder identification, please refer to 'Stakeholder Engagement' section of our Integrated Report.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes / No)	Channels of communication	Frequency of engagement	Purpose and scope of engagement
Patients	No	• Website • Clinical studies • Pharmacovigilance	Need Basis	The Company interacts with patients proactively to understand the end users' expectations and experience with our pharmaceutical products. Also, to conduct tests for clinical studies.
Channel Partners	No	• Meetings • Field visits • Digital Communication	Need Basis	Channel partners are important to increase product accessibility across different geographies. We interact with them to discuss product distribution strategies and monitor the operations on a regular basis.
Suppliers	No	• Meetings • Visits • Supplier audit • Facility visits	Need Basis	Suppliers are contacted regularly to ensure material quality, safety and timely availability amongst other critical services to ensure continuity of business operations. We also connect for supplier training, audits on operational and sustainability matters.
Healthcare Professionals	No	• Meetings • Conferences • Seminars • Field visits • CME events	Need Basis	Healthcare professionals act as a link between patients and our products. They are the direct representatives of our medicines and thus, we interact with them to understand market outlook, patient demands, patient's reviews, and their feedback including any adverse event reporting, if any.
Government and Regulators	No	• Meetings • Conferences • Facility visits • Official Communications • Statutory Publications	Need Basis	We believe in full compliance with all the regulations. In the fast-changing world of sustainability related regulations and laws, we interact with Government and Regulators to deep dive into requirements for our Company, and pharmaceutical sector in general.
Industry Associations	No	• Industry Conferences • Representations on policy matters	Need Basis	Public policy advocacy and awareness on our contribution to society are major topics of discussions with industry associations. We also share the best-case practices for cumulative development of pharmaceutical industry.
Shareholders and Investors	No	• Earning calls • Meetings • Investor Conferences • AGM • Website	Quarterly	We believe in maintaining financial transparency with our investors and shareholders. We share quarterly financial results through our website regularly and connect with our investors to understand their expectations & grievances and perform consultations on ESG topics amongst other topics.
Communities	Yes	• Interactions through CSR initiatives	Carried out continually throughout the year	Being a responsible corporate citizen, we believe in "Giving back to the society, for all the years of care, support and nurturance that have been bestowed upon the organization". Starting from community need assessments, grievance resolution to having extensive CSR programs, we contribute towards community development through our foundation. The Company fulfills its manpower requirement by employing the people from the nearby location where it has its business operation to the extent possible.
Employees	No	• Senior management interactions • HR Communications • Engagement Programme	Need basis	Employees are our biggest assets. We interact with our employees every day, since they are the pillar of our reputation, our functioning and are the torchbearers of the Company in future. Employee engagement, training, grievance redressal, feedbacks, consultations are major reasons of our interactions.

LEADERSHIP INDICATORS

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Engagement and dialogue enable us to understand the needs and views of stakeholders.

In recent years, we have gathered opinions and insights from all its stakeholders that had an influence on the organization's material topics. The input of stakeholder were used to determine topics that are material to the Company. The outcome of that materiality exercise was translated into an Integrated Strategy for the Company using various other global standards and requirements. This strategy framework was further detailed including specific sustainability focus, pillars, goals and targets.

Apart from this recent exercise, we believe in consultations with our stakeholders on sustainability to implement our major initiatives. Many of the engagements take place during the routine course of business, in day-to-day interactions with the stakeholders. Engagements on sustainability includes sensitizing suppliers towards sustainability, receiving product feedbacks in terms of safety from healthcare professionals and patients, undertaking hundreds of sustainability initiatives and volunteering programs with employees and increasing healthcare accessibility with channel partners amongst other things. Also, the Board interacts with Senior management personnel of the Company on various matters relating to the above.

Meaningful output from these discussions is channeled to the respective departmental heads, which are further taken to senior management and the Board if required.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Torrent Pharma conducted a detailed materiality assessment by gathering opinions and insights from all its stakeholders. It assessed the impact of environmental, social, governance and economic issues, critical for long-term viability and sustainability of the organisation. This evaluation helped in identifying and prioritising the issues that were most important to the sustainability of our business and value creation.

Thus, with our materiality exercise we understood our stakeholder priorities and areas of concerns. These inputs were mathematically analyzed to develop our ESG Materiality Matrix, our Integrated Strategy and Roadmap.

3. Provide details of instances of engagement with and actions taken to, address the concerns of vulnerable / marginalized stakeholder groups.

Vulnerable or marginalized stakeholders are identified by the Company based on gender, caste and age. We channel a portion of our resources and activities towards enabling meaningful social, ethical, and environmental impact. We believe in the development of vulnerable and marginalized groups around our premises and operational areas. We conduct community need assessments to identify the needs of the communities every year.

Driven by the belief of Chairman Emeritus, Sudhir Mehta ***'Children are the future of our nation and this future must be well preserved',*** the flagship CSR program of the Group "REACH" – Reach EAch CHild was initiated in the year 2016 under the aegis of UNM Foundation, a section 8 company. REACH has three major pillars: (a) grass root interventions, (b) greenfield actions and (c) other allied initiatives. The CSR activities undertaken by the Company were under the thrust areas of Community Healthcare, Sanitation & Hygiene, Education & Knowledge Enhancement and Social Care & Concern. Through these projects, we are committed to working towards enhancing the access to quality healthcare, to improve the lives of the people across communities and promote welfare of the underprivileged segments. For more information on our CSR activities, please refer to 'Social and Relationship Capital' section of Integrated Report.

PRINCIPLE 5: Businesses should respect and promote human rights



At Torrent Pharma, we value our employees and believe that the Company's success is a result of the collective efforts of all its employees. We are committed towards creating a work environment that ensures employee safety, guarantees equality and provides encouraging and varied opportunities. The business processes and practices guided by the Company's Code of Conduct takes care of environment, human rights and labour laws. We are committed to establishing an environment in which all employees are treated fairly and without fear of prejudice, retaliation, or harassment, regardless of caste, creed, religion, or gender. The Company's framework includes a whistle blower policy and proper protection for women's safety at work from sexual harassment.

Right to life and health, Right to Education, Prohibition of Child Labour, Elimination of All Forms of Discrimination, Equal Rights of Women in Relation to Employment, Right to Equality and Non-discrimination are the various Human Rights amongst others that Torrent Pharma supports and promotes.

ESSENTIAL INDICATORS

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity:

Torrent Pharma is committed to doing business in a fair and transparent manner, adhering to the highest ethical standards and incorporating policies that respect the environment, human rights, and labour laws. The Organisation has in effect a rigorous vigil mechanism, i.e., the Whistle blower Policy to report unethical conduct in order to promote professionalism, fairness, dignity, and ethical behaviour in its staff and stake holders. Trainings on various policies of the Company and on human rights are provided at the time of induction and on periodic basis

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	12,665	12,615	99.61%	12,103	12,058	99.63%
Other than Permanent	326	326	100%	207	207	100%
Total	12,991	12,941	99.62%	12,310	12,265	99.63%
Workers						
Permanent	582	582	100%	600	600	100%
Other than Permanent	1,930	1,930	100%	1,808	1,808	100%
Total	2,512	2,512	100%	2,408	2,408	100%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	11,543	18	0%	11,525	100%	11,002	183	2%	10,819	98%
Female	1,122	3	0%	1,119	100%	1,101	32	3%	1,069	97%
Total	12,665	21	0%	12,644	100%	12,103	215	2%	11,888	98%
Other than Permanent										
Male	309	5	2%	304	98%	186	34	18%	152	82%
Female	17	1	6%	16	94%	21	2	10%	19	90%
Total	326	6	2%	320	98%	207	36	17%	171	83%

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Workers										
Permanent										
Male	548	0	0%	548	100%	565	0	0%	565	100%
Female	34	0	0%	34	100%	35	0	0%	35	100%
Total	582	0	0%	582	100%	600	0	0%	600	100%
Other than Permanent										
Male	1,602	1,054	66%	548	34%	1,555	1,263	81%	292	19%
Female	328	103	31%	225	69%	253	93	37%	160	63%
Total	1,930	1,157	60%	773	40%	1,808	1,356	75%	452	25%

3. Details of remuneration / salary / wages, in the following format:

	Male		Female	
	Number	Median remuneration / salary / wages of respective category	Number	Median remuneration / salary / wages of respective category
Board of Directors (BoD)	8	89,00,000	2	74,00,000
Key Managerial Personnel	5	5,88,68,392	0	-
Employees other than BoD and KMP	11,877	5,19,996	1,114	3,74,400
Workers	548	4,12,608	34	4,09,608

4. Do you have a focal point (Individual / Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes / No)

We understand the importance of human rights. We also acknowledge issues that may arise affecting our endeavor towards creating a safe work environment free from any form of discriminatory or unethical practices. We have department heads, union representatives, HR head, representatives of various welfare committees who addresses any such issues that are reported affecting human rights in any form. We have adopted policy on POSH aligned with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 which takes care of redressal of complaints of sexual harassment at workplace. The dignity of an individual should not be compromised, and we strive to maintain it through different internal processes.

In the endeavour to create consistent value propositions for all the stakeholders and to ensure highest level of honesty, integrity and ethical behaviour in all its operations, we have adopted 'Whistle-Blower Policy'. Through this Policy we encourage stakeholders to bring any instances of unethical behaviour and actual or suspected misconducts of fraud or violation of Company's Code of Conduct that could adversely impact our operation, business performance and / or reputation.

Under this Policy, the Company investigates any aforesaid incidents, when reported, in an impartial manner and takes appropriate action to ensure that required standards of professional and ethical conduct are maintained. The Company ensures protection of the employees who bring forth any such incidents to its attention. The outcome of the investigation is informed to all the concerned parties and a written report of the findings is prepared.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

We have in place the grievance redressal mechanism to redress grievances related to human rights issues. The Company supports the Open-door policy, wherein the employees can directly report their concerns to their Head of Department, HR head or any members of Senior Management. We have a Worker's Union for shop floor personnel, where their issues are addressed. Further, the grievances can also be reported under the mechanism of Whistle Blower Policy and Prohibition of Sexual harassment at workplace.

6. Number of Complaints made by employees and workers:

Torrent Pharma has policies and procedures to uphold human rights. The endeavour is to do the business in a fair and transparent manner maintaining highest ethical standards that supports and protects Human Rights and has demonstrated a zero-tolerance for any type of unethical behavior or misconduct. In order to encourage professionalism, fairness, dignity, and ethical behavior among our employees and stakeholders, we have implemented a rigorous vigil mechanism, i.e., the whistle blower mechanism to report unethical activity. The Company's whistle blower mechanism with which it seeks to provide a mechanism for the Stakeholders to disclose their concerns and grievances on unethical behavior and improper / illegal practices and wrongful conduct taking place in the Company that are to be addressed.

There were no cases of Sexual harassment, child labour, forced labour, involuntary labour, discrimination at workplace or breach of Human Rights throughout the reporting period during FY 2022-23 and FY 2021-22.

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

In accordance with the provisions of the Sexual Harassment Against Women at Work (Prevention, Prohibition and Redressal) Act 2013 and the rules promulgated thereunder, we have adopted a policy to protect women from sexual harassment at work for the women employees. This encourages female employees to pursue their careers without fear of prejudice, gender bias, sexual harassment and / or any such orientation, implicit or explicit. For this purpose, complaints arbitration committees are formed at administrative units / offices. Inquiries under this Policy will be conducted in the strictest confidentiality. Anyone who is entrusted with the processing of complaints and violates the duty of confidentiality is liable to be prosecuted. In addition, we have a Whistle blower Policy that provides the necessary safeguards for all whistle blowers to make disclosures in good faith and any party assisting the investigation.

8. Do human rights requirements form part of your business agreements and contracts? (Yes / No)

Yes, in, certain business agreements and contracts where relevant.

9. Assessments for the year:

At Torrent Pharma, we have a strong vigil mechanism by means of different policies and procedures and the Company is compliant with the applicable laws. We ensure strict compliance of child labour, forced / involuntary labour, sexual harassment, discrimination at workplace and minimum wages. These issues are a pre-requisite for the ethical functioning of the Company. We at no point tolerate the violation of basic human rights of any of our stakeholders.

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable

LEADERSHIP INDICATORS

1. Details of a business process being modified / introduced as a result of addressing human rights grievances / complaints.

Through different training mechanisms and a well-defined vigil system in place the Company assures more sensitized workforce towards Human Rights. No complaints were received during the year.

2. Details of the scope and coverage of any Human rights due diligence conducted.

No such due diligence was either warranted or conducted.

3. Is the premise / office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes. We have ensured accessibility of all the premises / offices for differently abled visitors.

4. Details on assessment of value chain partners:

The Company expects its value chain partners to adhere to the same values, principles and business ethics upheld by the Company in all its dealings. No specific assessments of value chain partners have been carried out other than human rights requirements forming part of business agreements and contracts.

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Torrent Pharma believes that business should make judicious use of natural resources and strives to minimize its impact on the environment. We are cognizant of the global climate change crisis and aims to reduce our footprint, increasingly use renewable energy resources in operations and positively strive to give back to the environment.

Furthermore, our Health, Safety and Environment Department proactively monitors the Company's environmental performance regularly, conducts internal audits and facilitates external audits to comply with international standards such as ISO 14001 and ISO 50001.

ESSENTIAL INDICATORS

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A) [Giga Joules (GJ)] (Grid Electricity)	4,42,530	4,50,758
Total fuel consumption (B) (GJ) (Non-renewable sources)	3,39,000	3,87,505
Energy consumption through other sources (C) (GJ) (Renewable sources: Solar)	8,022	7,921
Energy consumption through other sources (C) (GJ) (Renewable sources: Biofuels)	12,401	9,695
Total energy consumption (A+B+C) (GJ)	**8,01,953**	**8,55,879**
Energy intensity per rupee of turnover (Total energy consumption / turnover in rupees)	104 GJ / crore	127 GJ / crore

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y / N) If yes, name of the external agency.

Yes. The manufacturing facilities are ISO 50001 certified by ISOQAR (Registered under UKAS Management System)

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y / N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No. The PAT Scheme is not applicable to the pharmaceutical industries.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in Million m^3)		
(i) Surface water	0.782	0.790
(ii) Groundwater	0.264	0.255
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others (Water recycled and reused)	-	-
Total volume of water withdrawal (in Million m^3) (i + ii + iii + iv + v)	**1.046**	**1.045**
Total volume of water consumption (in Million m^3)	**0.950**	**0.947**
Water intensity per rupee of turnover (Water consumed / turnover)	0.00012 million m^3 / crore	0.00014 million m^3 / crore

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y / N) If yes, name of the external agency.

Yes. Water Audit was conducted by Pollucon Laboratories (FICCI empaneled CGWA Auditor)

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

We aspire to become Zero Liquid discharge across all our manufacturing facilities.

Our Wastewater system comprises of Effluent Treatment Plant (ETP), Reverse Osmosis (RO), Nano filtration (NF), Multiple Effect Evaporator (MEE), Agitated Thin Film dryer (ATFD), Solvent stripper, STP, Volute, sludge Dryer. These state of art technologies ensure to make treated wastewater fit for recycle / reuse and reduce the waste for landfilling.

Treated wastewater is reused for survival of inhouse green belt. The recovery of RO is > 90 % and the permeate water is recycled in utilities.

The treated wastewater from API unit of Indrad and Dahej manufacturing facilities is completely recycled in utilities.

The manufacturing facilities have been equipped with state-of-art effluent treatment facilities, which ensure Zero Liquid Discharge of wastewater for API units, as per criteria applicable to respective locations.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	MT	52.50	64.70
SOx	MT	218.26	243.11
Particulate matter (PM)		-	-
Persistent organic pollutants (POP)		-	-
Volatile organic compounds (VOC)		-	-
Hazardous air pollutants (HAP)		-	-
Others – please specify		-	-

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y / N) If yes, name of the external agency.

Yes. Air emission monitoring was carried out by NABL Approved Laboratories.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF6, NF3, if available) (Emissions from Renewable and Non-renewable fuels)	tCO_2e	25,063	28,009
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF6, NF3, if available)	tCO_2e	97,111	98,916
Total Scope 1 and Scope 2 emissions per rupee of turnover	tCO_2e	16 tCO_2e / crore	19 tCO_2e / crore

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y / N) If yes, name of the external agency.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide detail

The Company has set a target of reducing its Scope 1 & Scope 2 emissions by 21% by 2025. We are continuously investing capital and resources in achieving the same. Our key areas of action include:

A. Energy efficiency measures: We undertook several energy initiatives, which includes:

- Installation of Heat pump at Baddi manufacturing facility.
- Efficiency improvement in HVAC, Chillers, Pumps at Indrad & Baddi manufacturing facilities.
- Replacement of energy efficient equipments at R&D Centre.
- Efficiency improvement in operation by rationalising the peak power demand at Vizag & Baddi manufacturing facilities.
- Alternate power supply of 5 MW is taken from other sub-station.

B. Enhanced data monitoring: We started data monitoring of refrigerant leakages.

C. Alternative fuel usage: We have installed Briquette fire boiler replacing fossil fuel-based boilers at our manufacturing facilities at Indrad, Dahej and Baddi.

D. Renewable energy:

- Installation of 2 windmills of 2.7 MW each and 5.0 MW AC solar power plant at Kalavad, Dist. Jamnagar, Gujarat. This renewable energy will contribute 30% of the total electricity consumption at Indrad manufacturing facility, Bileshwarpura project site and R&D Centre.
- 21 Lakh KWH Solar roof top renewable energy generation at Indrad manufacturing facility, Bileshwarpura project site and R&D Center.

E. Offsetting: The Company has developed above 43% state-of-the-art green belt across all the manufacturing facilities PAN India to offset carbon emissions naturally.

More details on our GHG reduction projects are provided in 'Natural Capital section' of the Integrated Report.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Waste generated (in metric tons)		
Plastic waste **(A)**	844	1,016
E-waste **(B)**	10.88	3.68
Bio-medical waste **(C)**	47.29	47.27
Construction and demolition waste **(D)**	0	0
Battery waste **(E)**	8.81	20.87
Radioactive waste **(F)**	0	0
Other Hazardous waste (Waste for landfill, Process Distillation Residues, Recyclable waste and Other waste for Incineration) **(G)**	3,387.97	3,531.91
Other Non-hazardous waste generated **(H)** (Solid waste)	2,326.07	1,807.26
Total (A + B + C + D + E + F + G + H)	**6,625.02**	**6,426.99**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tons)		
Plastic Waste		
(i) Recycled	268.00	323.00
Hazardous waste		
(i) Recycled	1,642.85	1,708.00
Non-hazardous waste		
(i) Recycled	2,326.07	1,807.26
Battery waste		
(i) Recycled	8.81	20.87
E-waste		
(i) Recycled	10.88	3.68
Total	**4,256.61**	**3,862.81**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tons)		
Plastic Waste		
(i) Co-processing	576.00	693.00
Bio-medical waste		
(i) Incineration	47.29	47.27
Hazardous waste		
(i) Incineration	115.40	147.55
(ii) Landfilling	649.37	588.37
(iii) Co-processing	980.35	1,087.99
Total	**2,368.41**	**2,564.18**

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y / N) If yes, name of the external agency.

Yes. Environment Audits were conducted by Silver Oak University, M/s Enviropious EHS Solutions & Shroff Rotary Institute of Chem Technology.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Torrent Pharma has standard operating procedures for handling waste and follows CPCB / SPCB regulations for the same. Hazardous waste and non-hazardous waste are segregated at source and stored at dedicated spaces in the manufacturing facilities. After a thorough sorting, hazardous and non-hazardous waste are handled separately. Hazardous waste is stored category wise in hazardous waste storage area, and it is then disposed to Pollution Control Board authorized disposal facility as per applicable regulation.

We have also established several processes as per green chemistry concept during process development phase to optimize toxic and hazardous chemicals. As of now, most of the hazardous waste is sent to co-processing and recycling instead of incineration and Landfilling.

Manufacturing Process are designed on lowest risk potential considering elimination of hazard potential for the plant and personnel.

More details on our waste management projects are provided in 'Natural Capital' section of the Integrated Report.

10. If the entity has operations / offices in / around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

The Company does not have any of its manufacturing facilities in ecologically sensitive areas.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Not Applicable

12. Is the entity compliant with the applicable environmental law / regulations / guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y / N)

Yes, the Company is compliant with all the applicable environmental laws / regulations / guidelines in India.

LEADERSHIP INDICATORS

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A) (Solar) [Giga Joules (GJ)]	8,022	7,921
Total fuel consumption (B) (Briquette and Biogas) (GJ)	12,401	9,695
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	**20,423**	**17,616**
From non-renewable sources		
Total electricity consumption (D)	4,42,530	4,50,758
Total fuel consumption (E)	3,39,000	3,87,505
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	**7,81,530**	**8,38,263**

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y / N) If yes, name of the external agency.

Yes. Manufacturing sites are certified for ISO 50001 (Energy Management System) by certification agency M/s ISOQAR.

2. Provide the following details related to water discharged:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water discharge by destination and level of treatment (in Million m³)		
(i) To Surface water		
No treatment	0	0
With treatment – please specify level of Treatment	0	0
(ii) To Groundwater		
No treatment	0	0
With treatment – please specify level of Treatment	0	0
(iii) To Seawater		
No treatment	0	0
With treatment – please specify level of Treatment	0	0
(iv) Sent to third parties		
No treatment	0	0
With treatment – please specify level of Treatment (sent to CETP after primary treatment at Vizag, Tertiary treatment at Dahej and Baddi)	0.096	0.099
(v) Others		
No treatment	0	0
With treatment – please specify level of Treatment	0	0
Total water discharged (in Million m³)	**0.096**	**0.099**

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y / N) If yes, name of the external agency.

Yes. Water discharge monitoring was carried out by NABL Approved Laboratory and PCB allocated Schedule - 1 Environment Auditor on regular intervals. Common Effluent Treatment Plant (CETP) agencies monitor the discharge for quantity and quality also.

3. Water withdrawal, consumption, and discharge in areas of water stress:

(i) Name of the water stressed area: Indrad and Pithampur manufacturing facilities, Bileshwarpura Project site and R&D Centre

(ii) Nature of operations: Manufacturing and R&D

(iii) Water withdrawal, consumption, and discharge in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in Million m³)		
(i) Surface water	0.782	0.790
(ii) Groundwater	0.264	0.255
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in Million m³)	**1.046**	**1.045**
Total volume of water consumption (in Million m³)	**0.950**	**0.947**
Water intensity per rupee of turnover (Water consumed / turnover)	0.00012 million m³ / crore	0.00014 million m³ / crore

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water discharge by destination and level of treatment (in Million m³)		
(i) Into Surface water		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(ii) Into Groundwater		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iii) Into Seawater		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iv) Sent to third parties		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(v) Others		
No treatment	0	0
With treatment – please specify level of treatment	0	0
Total water discharged (in Million m³)	**0**	**0**

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y / N) If yes, name of the external agency

Yes, the Water Audit was conducted by M / s. Pollucon Laboratories (FICCI empaneled CGWA auditor) at R&D centre.

4. Please provide details of total Scope 3 emissions & its intensity

The Company is progressing year on year in emission monitoring. Going forward, we aim to conduct scope 3 emission calculations across the value chain.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Torrent Pharma does not have any manufacturing facilities in ecologically sensitive areas.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Recycling of steam condensate	Installation of steam condensate pump at selective points to collect and reuse the steam condensate as boiler feed water at Baddi Manufacturing Facility	Water saving of 2,300 m³ and fuel saving of 150 m³
2.	Setting up of Briquette fired boiler	Replacement of fossil fuel with the biofuel at Indrad, Dahej and Baddi manufacturing facilities	Expected reduction of Scope-1 emissions approx. 12,000 tCO_2e. (45% reduction)
3.	Installation of Hybrid power Plant	Installation of 2 windmills of 2.7 MW each and 5 MW AC solar power plant at Kalavad, District Jamnagar, Gujarat.	Expected generation of green energy equivalent to 2.88 crores KWH per annum which contribute to 30% of the total electricity consumption at Indrad manufacturing facility, Bileshwarpura project site and R&D Centre and expected reduction in scope 2 emission of 19,000 tCO_2e

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
4.	Installation of Heat pump	Generation of hot water from waste heat instead of steam using heat pump at Baddi manufacturing facility	Saving of 3,600 tons steam per annum
5.	Efficiency improvement in HVAC, Chillers, Pumps	In the Air Handling Unit (AHU), the temperature set point and VFD frequency was modified resulting to energy savings at Indrad & Baddi Manufacturing Facilities	Reduction in scope 2 emissions and energy saving of 13.50 lakh KWH per annum
6.	Replacement of energy efficient equipments	Efficient Lighting and energy	Reduction in scope 2 emissions and energy saving of 20,000 KWH per annum
7.	Efficiency improvement in operation by rationalising the peak power demand at Vizag & Baddi manufacturing facilities	Energy consumption rationalisation, optimisation of operation	Annual saving of ₹ 20 lakh
8.	Part supply of power from alternate source	Reduction in dependability on DG set by using alternate power supply at Sikkim manufacturing facility	Annual saving of 200 m^3 HSD in DG Operations and reduction in 512 tCO_2e scope 1 emissions Uninterrupted operations at Sikkim Manufacturing Facility
9.	Installation of the Solar Power System of 1,688 KW.	Solar roof top renewable energy generation for captive consumption at Indrad manufacturing facility, Bileshwarpura project site and R&D Centre	Cumulative generation of 2.10 Million KWH renewable energy at Indrad manufacturing facility, Bileshwarpura project site and R&D centre
10.	Maintenance of power factor near to Unity	Operational efficiency of electrical system at various manufacturing facilities	Improved energy efficiency resulting into annual saving of ₹ 0.75 crores

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words / web link.

Yes. We have a Disaster Management Plan / Onsite Emergency Plan which includes introduction, definitions, details of the organization, factory layout plan, objectives, process, process hazard and their control measures, various emergency scenarios, natural calamities and their control measures, Environment Impact Assessment Plan, Emergency Evacuation plan, Emergency declaration procedures, Plant safe shut down procedures and Organogram of Emergency action plan amongst other important things.

The Company has also defined required responsibilities, Assembly Points, Medical Arrangements, MSDS, External Telephone numbers and Important Mutual aid Telephone Numbers for efficient functioning during any kind of emergency.

Further, training is imparted to all employees and contract workers to respond during emergency / tackling any disastrous situations.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

No significant adverse impact has been observed during value chain assessments.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impact

LLM sites have been assessed for environmental impacts during audit conducted as per predefined checklist.

PRINCIPLE 7: Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Torrent Pharma, as a responsible Organisation actively participates and engage with various associations and Industry Chambers to help to facilitate the Government in developing regulations that are suited to and aligned with the needs of the industry and Country at large.

ESSENTIAL INDICATORS

1. a) Number of affiliations with trade and industry chambers / associations.

The Company is associated with 5 trade and Industry chambers / associations.

b) List the top 10 trade and industry chambers / associations (determined based on the total members of such body) the entity is a member of / affiliated to.

S.no	Name of the trade and industry chambers / associations	Reach of trade and industry chambers / associations (State / National)
1	Indian Pharmaceutical Alliance (IPA)	National
2	Indian Drug Manufacturing Association (IDMA)	National
3	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
4	Pharmaceuticals Export Promotion Council of India (PHARMEXCIL)	National
5	Gujarat Chamber of Commerce and Industry (GCCI)	State

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities

At Torrent Pharma, Integrity and Transparency are embedded in our core values and we believe in doing the right things the right way. We conduct business in a fair and honest way. It encourages more informed decisions and considers it to be crucial in building trust among its stakeholders. No such cases were reported relating to anti-competitive conduct.

LEADERSHIP INDICATORS

1. Details of public policy positions advocated by the entity

The Company does not have a separate policy on public advocacy. The Company, through these trade and industry associations, provides input to key decision makers in framing and implementing policies. The notion of partnerships in any form and inputs in any manner is to promote a healthy life for all. Our expertise and knowledge must benefit society and through associations it intends to implement the same. Apart from policy advocacy, this participation also helps us to remain abreast of industry developments and further its position as a thought leader in the industry.

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.



Inspired by the philosophy followed by our Founding Chairman late Shri U N Mehta **"Think of others also when you think about yourself"**, Torrent Group passionately adheres to its responsibilities as a corporate citizen that believes in conducting its business and industrial activities in a socially and ecologically responsible manner, balancing the requirements of all stakeholders and contributing to the upliftment and well-being of the vulnerable and marginalized communities.

Torrent Pharma believes that uplifting the community has a direct effect on the development of the Company through increased social trust. We focus on thrust areas of Community Healthcare, Sanitation and Hygiene, Education & Knowledge Enhancement and Social Care and Concern.

ESSENTIAL INDICATORS

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

   Torrent Pharma has not initiated any greenfield project in the financial year and hence no Social Impact Assessment was conducted.

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:**

   Not Applicable

3. **Describe the mechanisms to receive and redress grievances of the community**

   We are taking suitable and sufficient actions to address complaints received from stakeholders. We ensure timely follow up on closure of the issues to avoid reoccurrence of such complaints. Our Whistle blower Policy has specific clauses and a systematic operational procedure to act on stakeholder grievances. The Policy also outlines the reporting procedure and investigation mechanism to be followed.

4. **Percentage of input material (inputs to total inputs by value) sourced from local or small-scale suppliers:**

   We consciously endeavour to source procurement of goods and services from medium and small vendors of the local areas, wherever feasible. It improves operational efficiency and saves on transportation costs and inventory management. We provide detailed specifications as well as technical knowhow to improve capacity and capability of local and small vendors. During the year, we have sourced 17% of the total input material from MSMEs / small suppliers.

LEADERSHIP INDICATORS

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

   Not Applicable

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

   The Company undertakes the CSR initiatives in the surrounding locations where it has its business presence. We have not undertaken any CSR projects in aspirational districts as per the 'Transformation of Aspirational Districts' programme of the Government. Hence, this question is not applicable to us.

3. **(a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups? (Yes / No)**

   (b) From which marginalized / vulnerable groups do you procure?

   (c) What percentage of total procurement (by value) does it constitute?

   Yes, we aim to procure our material locally wherever it is possible. The focus during the fiscal remained on local suppliers and local contractors. This has a dual benefit of promoting the local economy and reducing negative externalities associated with transportation of material. COVID-19 was quite unusual for global production and supply. It has made the aspects of alternate sourcing more significant than ever. We actively monitor supply chain continuity and focus on getting quality materials locally.

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge**

   Not Applicable

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

   Not Applicable

6. **Details of beneficiaries of CSR Projects.**

   Torrent Pharma, under the aegis of UNM Foundation, has undertaken CSR activities. The CSR activities undertaken by the Company were under the thrust areas of Community Healthcare, Sanitation & Hygiene, Education & Knowledge Enhancement and Social Care & Concern. Driven by the belief of Chairman Emeritus, Sudhir Mehta ***'Children are the future of our nation and this future must be well preserved'***, the flagship CSR program of the Group "REACH" – Reach EAch CHild was initiated in the year 2016 under the aegis of UNM Foundation, a section 8 company. REACH has three major pillars: (a) grass root interventions, (b) greenfield actions and (c) other allied initiatives. For more information on beneficiaries of our CSR projects, please refer to 'Social and Relationship Capital' section of Integrated Report.

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in responsible manner



Torrent Pharma's commitment towards its Customers are enunciated in its Core value. The Company being in the business of healthcare, the nature of its business requires the utmost attention to the quality of its product.

The Company has a robust Pharmacovigilance system in place, with all stakeholders having access to an adverse event / product complaint reporting form on the Company's website, as well as a dedicated phone line and a mailbox.

With increasing healthcare data every day, we are also committed to ensure that the data collected is appropriately managed to foster a culture of trust and transparency among patients and stakeholders while also adhering to rigorous data privacy and regulatory requirements.

ESSENTIAL INDICATORS

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   Torrent Pharma places great emphasis on the quality of its products. It provides swift connection channels to all its customers, mainly healthcare professionals, patients, retailers, and others. We have both digital and offline mechanisms to receive feedback and address complaints.

   Digital mechanisms include:

   - Dedicated page on Company's website on adverse event reporting.
   - Dedicated E-mail ID, **pv@torrentpharma.com**
   - Dedicated customer care toll free number i.e., 1800-120-3001, which is available 24 x 7 for our customers.

Our channels receive feedback regarding customer satisfaction, product complaints and recalls, customer privacy, or any other issue pertaining to the consumer. With the goal of preventing any future customer complaints and continuously increase customer value, solutions are applied in a systematic manner and are given the utmost priority. Customers' feedback on the management and resolution of their complaints are also encouraged.

Furthermore, we have put in place a rigorous Pharmacovigilance system to ensure that prompt action is taken in the event of any adverse side effects from our medicines. We place very high value on quality and all our products are rigorously tested for safety and efficacy in clinical studies before being approved for use. Our goal is to offer high-quality medications with minimal side effects, and our pharmacovigilance system assists us in doing so. We collaborate with regulators to improve mechanisms for tracking the safety and benefit-risk profile of our medications throughout the product lifecycle.

For more details, please visit 'Intellectual Capital' section of Integrated Report.

2. Turnover of products and / services as a percentage of turnover from all products / service that carry information about:

	As a percentage to total turnover
Environment and Social parameters relevant to product	The Company complies with all the regulatory requirements in relation to the display of information on product label.
Safe and responsible usage	
Recycling and / or safe disposal	

The pharmaceutical industry is an extremely regulated sector when it comes to the marketing and labelling of the products, and thus we ensure responsible communication to all our customers. We comply with all the regulatory requirements for all labelling parameters.

3. Number of consumer complaints

The Company has not received any consumers complaints regarding data privacy, advertisement, cyber-security, restricted trade practices and unfair trade practices for FY 2022-23 and 2021-22. The details of other complaints are stated below:

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Received during the year	Pending resolution at the end of year	Remarks	Received during the year	Pending resolution at the end of year	Remarks
Others (Product related complaints)	1539	3		1559	185	

4. Details of instances of product recalls on account of safety issues

	Number	Reason for recall
Voluntary recalls	10	Quality issue
Forced recalls	1	Regulatory authority initiative

5. Does the entity have a framework / policy on cyber security and risks related to data privacy? (Yes / No) If available, provide a web-link of the policy.

Yes, we believe that keeping medical information secure and confidential helps to build trust in our users. Data breaches can directly hamper our reputation and operations. Therefore, we comply with the highest standards of data privacy through our privacy policy.

The policy is available to internal stakeholders and is placed on the intranet of the Company.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

The Company has taken following actions to avoid re-occurrence of instances of product recalls:

- Revised manufacturing process and critical manufacturing steps;
- Modified packaging configuration, changed packaging material vendor;
- Reduce shelf life of product, where necessary;
- Increased control strategy through increase in testing frequency.

Further no Penalty / action has been taken by regulatory authorities against any of above stated recall.

LEADERSHIP INDICATORS

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

We have a weblink containing prescription information for medicines. The page can be accessed here: **https://www.torrentpharma.com/index.php/site/info/prescribing_info**.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and / or services.

The Company adheres to relevant regulatory requirements by disclosing information to our stakeholders on the safe and responsible usage of our products. On every pharmaceutical product's primary pack, there are clear instructions depicting the active ingredients of the product, caution for consumption or usage, possible side effects and guidelines for storage / disposal. Further, we provide very specific disclaimers on all the medicines to ensure the usage only as per the direction of healthcare professionals.

Also, all the drug related information is available in detail on Company's website on Prescribing Information, which can be accessed here: **https://www.torrentpharma.com/index.php/site/info/prescribing_info**

3. Mechanisms in place to inform consumers of any risk of disruption / discontinuation of essential services.

The Company being in the pharma business, there are multiple other pharma Companies providing the similar products. Hence the discontinuation of any of the Company's products does not impact the communities at large.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes / No / Not Applicable)? If yes, provide details in brief.

Yes, besides the mandatory information, the Company also displays the general information for patients in order to guide them with respect to usage on certain products. We adhere to the national and international standards for product safety.

Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes / No)

The marketing team of the Company regularly interacts with the Doctors and other Healthcare professionals and takes their feedback on the products.

5. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact.

b. Percentage of data breaches involving personally identifiable information of customers.

The Company has not witnessed any instances of data breaches during the year.

REPORT ON CORPORATE GOVERNANCE

MAXIMUM GOVERNANCE – THE TORRENT WAY

The Securities and Exchange Board of India (SEBI) has been continuously fine tuning and upgrading the standards of Corporate Governance applicable to Indian Companies. Torrent has built its Corporate Governance practices on the three inviolable principles of TRANSPARENCY, INTEGRITY (comprehensive all round disclosure plus financial controls) and ACCOUNTABILITY. This report sets out the governance systems and processes of the Company, as set out in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended from time to time, for the financial year ended 31st March, 2023. The Company is in full compliance with the Corporate Governance norms as stipulated in Listing Regulations.

Torrent believes that while implementation of the minimum framework is a prerequisite, superior governance practices are vital for growing a sustainable and successful business. The Company has a strong legacy of fair, transparent and ethical governance practice.

1. BOARD OF DIRECTORS

Diversity, to encourage the emergence of full, frank and comprehensive discussions is the guiding principle in selecting the DNA of the Board. Your Company has a Leading Legal Professional, an Accounting Professional, Entrepreneurs of leading Companies including from Healthcare, a Pharma Professional and an Accomplished Professional as Independent Directors. The Sharp entrepreneurial ability, a strong leadership and years of experience are represented in the rest of the Board. The Board of Directors (Board) comprises of ten directors as on 31st March, 2023. Out of total Board strength, seven are Non-Executive Directors (NEDs) (70% of the Board strength) and six are Independent Directors (IDs) (60% of the Board strength) including two Independent Women Directors.

In order to effectively discharge its duties, it is necessary that collectively the Board holds the appropriate balance of skills and experience. The Board seeks a complementary diversity of skills and experience across its members. The table below summarizes the key qualifications, skills, expertise and competencies possessed by Directors of the Company:

Skills / Expertise / Competencies		Director who possess such skills / expertise / competencies
Strategic Leadership	Significant leadership experience to think strategically and develop effective strategies to drive change and growth in context of the Company's overall objectives.	Entire Board
Industry Experience	Experience and / or knowledge of the industry in which the Company operates.	Sudhir Mehta Samir Mehta Aman Mehta Ameera Shah Jinesh Shah Dr. Maurice Chagnaud
Financial Expertise	Qualification and / or experience in accounting and / or finance coupled with ability to analyze key financial statements; critically assess financial viability and performance; contribute to financial planning; assess financial controls and oversee capital management and funding arrangements.	Samir Mehta Shailesh Haribhakti Haigreve Khaitan Ameera Shah Nayantara Bali Dr. Maurice Chagnaud Manish Choksi
Governance, Risk and Compliance	Knowledge and experience of best practices in governance structures, policies and processes including establishing risk and compliance frameworks, identifying and monitoring key risks.	Entire Board
Diversity	Representation of gender, cultural or other such diversity that expand the Board's understanding and perspective.	Ameera Shah Nayantara Bali Dr. Maurice Chagnaud

An annual calendar of meetings is established after consulting all Directors to facilitate their presence and meaningful participation. It has been the Company's endeavour to have meetings at various plants / locations of the Company too, to get Directors to witness the practices and to get under the skin of the Company's business model.

During the financial year, the Board of the Company met seven times on 11th May, 2022, 25th May, 2022, 29th July, 2022, 21st October, 2022, 2nd November, 2022, 21st December, 2022 and 25th January, 2023. Time elapsed between any two consecutive meetings never exceeded 120 days.

Details of the composition of the Board, the Board meetings held during the year, attendance of Directors at Board meetings and at the last Annual General Meeting (AGM) are as under:

Name & Designation of the Director	Category[1]	No. of Board Meetings held during the tenure	Board meetings attended	Attendance at the last AGM
Sudhir Mehta, Chairman Emeritus	NED	7	6	Yes
Samir Mehta, Executive Chairman	Executive Chairman	7	7	Yes
Shailesh Haribhakti	ID	7	7	Yes
Haigreve Khaitan	ID	7	7	Yes
Ameera Shah	ID	7	6	No
Nayantara Bali	ID	7	6	Yes
Dr. Maurice Chagnaud[2]	ID	7	6	Yes
Manish Choksi[3]	ID	5	5	-
Jinesh Shah, Director (Operations)	WTD	7	7	Yes
Aman Mehta, Whole-time Director[4]	WTD	4	3	-

Notes:

1. NED – Non-Executive Director (other than ID); ID – Independent Director; WTD – Whole-time Director.
2. Dr. Maurice Chagnaud was appointed as an Independent Director of the Company for a term of 3 (three) consecutive years effective from 11th May, 2022.
3. Manish Choksi was appointed as an Independent Director of the Company for a term of 5 (five) consecutive years effective from 29th July, 2022.
4. Aman Mehta was appointed as Whole-time Director of the Company for a period of 5 (five) years effective from 1st August, 2022.

Details of Directorships and other related matters are as under:

Name & Designation of the Director	No. of other Directorship Held[1]		Name of the other listed entities where Directorship held & Category of Directorship	No. of other Board Committees of which Member / Chairperson[1]
	Listed Company	Other Company		
Sudhir Mehta,Chairman Emeritus	1	-	1. Torrent Power Limited, Non-Executive Director	-
Samir Mehta, Executive Chairman	1	-	1. Torrent Power Limited, Executive Chairman	1 (Member)
Shailesh Haribhakti	4	3	1. Blue Star Limited, Non Executive Chairman 2. L&T Finance Holdings Limited, Independent Director 3. Bajaj Electricals Limited, Independent Director 4. Adani Total Gas Limited, Independent Director	4 (Chairperson) 8 (Member)
Haigreve Khaitan	6	1	1. Ceat Limited, Independent Director 2. PVR Limited, Independent Director 3. JSW Steel Limited, Independent Director 4. Borosil Renewables Limited, Independent Director 5. Mahindra & Mahindra Limited, Independent Director 6. Tech Mahindra Limited, Independent Director	2 (Chairperson) 8 (Member)
Ameera Shah	2	1	1. Metropolis Healthcare Limited, Managing Director 2. ACC Limited, Independent Director	1 (Chairperson) 2 (Member)

Name & Designation of the Director	No. of other Directorship Held[1]		Name of the other listed entities where Directorship held & Category of Directorship	No. of other Board Committees of which Member / Chairperson[1]
	Listed Company	Other Company		
Nayantara Bali	1	-	1. Marico Limited, Independent Director	-
Dr. Maurice Chagnaud	-	-	-	-
Manish Choksi	2	1	1. Asian Paints Limited, Non-Executive Director & Vice Chairman 2. Vedant Fashions Limited, Independent Director	2 (Member)
Jinesh Shah, Director (Operations)	-	-	-	-
Aman Mehta, Whole-time Director	-	-	-	-

Note:

1. These numbers exclude the Directorship / Committee Membership held in the Company and in private limited companies, foreign companies, companies registered under Section 8 of the Companies Act, 2013. Further, it includes only the Chairmanship / Membership of the Audit Committee and Stakeholders' Relationship Committee. All Directors have informed the Company about the committee positions they occupy in other companies as per Regulation 26 of Listing Regulations, which were placed before the Board.

Sudhir Mehta and Samir Mehta are related to each other as brothers. Aman Mehta is son of Samir Mehta. None of the other Directors are related to any other Director on the Board in terms of definition of 'relative' as per the Companies Act, 2013.

Shareholding of Non-Executive Directors:

Details of the equity shares held by Non-Executive Directors as on 31st March, 2023 are as under:

Name of the Director	Nos of Equity shares
Sudhir Mehta	400*
Shailesh Haribhakti	20,950
Ameera Shah	1,865#

* Including shares held as Karta of HUF

holds 1500 shares & 365 shares as second holder jointly with Sushil Kanubhai Shah and Duru Sushil Shah respectively.

Samir Mehta is liable to retire by rotation at the forthcoming AGM and being eligible, has offered himself for re-appointment. Relevant details pertaining to him are provided in the notice of the AGM.

All IDs 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 Regulation 16(1)(b) of the Listing Regulations. These were placed before the Board. The Board, based on such declarations, has verified the veracity of such disclosures and confirmed that the IDs fulfil the conditions of Independence specified in the Listing Regulations and are independent of the management of the Company.

The IDs of the Company met on 25th January, 2023 under the chairmanship of Haigreve Khaitan without the presence of Non-Independent Directors to review the performance of Non-Independent Directors, the Board, Committees and the Chairperson. The meeting also reviewed the quality, quantity and timeliness of flow of information between the Company and the Board.

The terms and conditions of appointment of Independent Directors have been placed on the website of the Company **www.torrentpharma.com**. The details of familiarization programmes for Independent Directors have been provided in the Directors' Report and posted on the website of the Company and can be accessed at the web link **https://www.torrentpharma.com/pdf/cms/Familiarization_Programme_2022-23.pdf**

During the year, all the recommendations of all the Committees were accepted by the Board.

The Company Secretary also acts as Secretary to all the Committees of the Board and provided secretarial support to the Committees.

2. AUDIT COMMITTEE

During the year under review, six meetings of the Audit Committee were held on 25th May, 2022, 29th July, 2022, 23rd September, 2022, 21st October, 2022, 21st December, 2022 and 25th January, 2023. Time elapsed between two meetings never exceeded 120 days.

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 of Directorship	Qualification	No. of meetings held during the tenure	No. of meetings attended
Shailesh Haribhakti, Chairman	ID	F.C.A.	6	6
Haigreve Khaitan	ID	LL. B.	6	5
Ameera Shah	ID	Degree in Finance (University of Texas)	6	5
Nayantara Bali	ID	Post Graduate Diploma in Business Management (IIM, Ahmedabad)	6	6
Dr. Maurice Chagnaud[1]	ID	Doctor of Medicine and MBA (Marketing, Strategy, Finance and Administration) from IAE Aix- en-Provence, France. Strategic Finance Program (IMD, Lausanne, Switzerland)	6	5

1. Dr. Maurice Chagnaud was appointed as member of the Committee with effect from 11th May, 2022.

The Chairman of the Committee attended the last AGM of the Company.

The Committee meetings are attended by the Chief Financial Officer and Vice President (Finance). The Statutory Auditors, Internal Auditors, Cost Auditors and other related functional executives of the Company also attended the meeting when required.

The Committee holds meetings with Statutory Auditors and Internal Auditors on one to one basis as and when it deems fit and had ascertained that they didn't have any unexpressed concerns.

The total fees for all services paid by the Company and its subsidiaries to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part, amounts to ₹ 2.08 crores for the year 2022-23.

The principal terms of reference of the Committee as approved by the Board and as revised / updated from time to time by the Board are:

1. Financial Information Review

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. To examine the financial statement and the auditors' report thereon.

iii. 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;

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. Modified opinion(s) in the draft audit report.

iv. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.

v. 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 issue or rights issue or preferential issue or qualified institutional placement and making appropriate recommendations to the Board to take steps in this matter.

vi. To review the utilization of loans and / or advances from / investment by the Company in the Subsidiary exceeding ₹ 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.

vii. To review the following details mandatorily:

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 if any;

D. Internal audit reports relating to internal control weaknesses;

E. The appointment, removal and terms of remuneration of the Chief Internal Auditor;

F. Statement of deviations:

a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of Listing Regulations.

b) Annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7) of Listing Regulations.

viii. To review the financial statements of unlisted subsidiary companies, and in particular, the investments made by them.

2. Internal Controls and Policies for Maintaining Vigil

i. Scrutiny of inter-corporate loans and investments.

ii. Valuation of undertakings or assets of the Company, wherever it is necessary.

iii. Evaluation of Internal Financial Controls and Risk Management systems.

iv. 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.

v. 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.

vi. To review the functioning of the Whistle Blower (Vigil) mechanism.

vii. To approve the appointment of Chief Financial Officer (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.

viii. Investigate any activity within its terms of reference and any matters referred to it by the Board.

ix. To review the frauds reported by the Statutory Auditors, Cost Auditors and Secretarial Auditors, if any.

x. Monitoring the end use of funds raised through public offers and related matters.

xi. Reviewing with the Auditors and Management, if required, about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and any related issues there with.

xii. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

3. Relationship with Statutory, Internal & Cost Auditors

i. Recommend to the Board for appointment, remuneration and terms of appointment of Auditors of the Company.

ii. Approval of payments to Statutory Auditors for any other services rendered by them.

iii. Review and monitor the auditor's independence and performance and effectiveness of audit process.

iv. 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.

v. 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.

vi. Discussion with Internal Auditors of any significant findings and follow up there on.

vii. Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems.

4. Related Party Transactions

i. Approval or any subsequent modification of transactions of the Company with related parties.

ii. To lay down the criteria for granting the omnibus approval in line with the policy on related party transactions.

iii. To review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given.

The Committee has full access to information and records of the Company and can seek information from any employee of the Company and may invite such executives, as it considers appropriate, to be present at the meetings of Committee. The Committee may access external professionals and obtain legal advice, if so required, and secure attendance of outsiders with relevant expertise, if it considers necessary, in discharge of its functions.

In addition to the above, the Committee shall have such functions / role / powers as may be specified in the terms of reference of the Audit Committee under applicable laws or as required by any statute.

3. RISK MANAGEMENT COMMITTEE

The principal terms of reference of the Risk Management Committee as approved by the Board are as under:

1. Formulation of a detailed risk management policy and recommending the same to the Board which shall include:

a. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

b. Measures for risk mitigation including systems and processes for internal control of identified risks.

c. Business continuity plan.

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks including cyber security risk associated with the business of the Company.

3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.

4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.

5. To review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any).

6. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken.

During the year under review, two meetings of the Committee were held on 29th July, 2022 and 25th January, 2023.

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

Name & Designation of Director	Category	No. of meetings held during the tenure	No. of meetings attended
Haigreve Khaitan, Chairman	ID	2	2
Shailesh Haribhakti	ID	2	2
Nayantara Bali[1]	ID	2	1
Dr. Maurice Chagnaud[1]	ID	2	2
Sudhir Menon	CFO	2	2

1. Nayantara Bali and Dr. Maurice Chagnaud were appointed as the members of the Committee with effect from 11th May, 2022.

4. SECURITIES TRANSFER AND STAKEHOLDERS RELATIONSHIP COMMITTEE

The Securities Transfer & Stakeholders Relationship Committee considers and oversees resolution of grievances of security holders and investors of the Company.

The composition of the Committee as well as the particulars of attendance at the Committee meeting held during the year on 25th May, 2022 and other related details are given in the table below:

Name & Designation of Director	Category	No. of meetings held during the tenure	No. of meetings attended
Haigreve Khaitan, Chairman	ID	1	1
Shailesh Haribhakti[1]	ID	1	1
Ameera Shah	ID	1	0

1. Shailesh Haribhakti stepped down as the member of the Committee with effect from 10th May, 2023.

Aman Mehta was appointed as the member of the Committee with effect from 24th May, 2023.

The Committee passed various circular resolutions for issuance of duplicate share certificates and other routine matters. Mahesh Agrawal, Vice President (Legal) & Company Secretary was serving as the Compliance Officer and on attaining the age of superannuation retired from the services w.e.f. 31st July, 2022. Chintan Trivedi was appointed as Company Secretary and Compliance Officer w.e.f. 1st August, 2022.

99.80% of the equity shares of the Company are held in dematerialised form.

Pursuant to Section 124 of the Companies Act, 2013 read with Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company had transferred 1,82,066 equity shares to the demat account of Investor Education and Protection Fund (IEPF) Authority during the year 2022-23. As on 31st March, 2023, 3,60,212 equity shares are lying with IEPF Authority.

During the year, the Company has received 14 (fourteen) complaints from shareholders which were attended within a reasonable period of time. 1 (One) complaint was pending as on 31st March, 2023.

5. APPOINTMENT & REMUNERATION OF DIRECTORS

Nomination and Remuneration Committee

The Nomination and Remuneration Committee recommends the appointment of Directors and remuneration of such Directors other than Independent Directors. The level and structure of remuneration of senior management of the Company as per the Remuneration Policy is also overseen by this Committee.

During the year, three meetings of the Committee were held on 11th May, 2022, 29th July, 2022 and 27th March, 2023. The Committee, had a separate meeting with the Senior Management Personnel of the Company.

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 held during the tenure	No. of meetings attended
Shailesh Haribhakti, Chairman	ID	3	3
Haigreve Khaitan	ID	3	3
Nayantara Bali	ID	3	3

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, Nomination and Remuneration Committee has the following principal terms of reference:

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 positions in accordance with the criteria laid down, recommend to the Board their appointment and removal.
3. To determine whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
4. To specify the manner for effective evaluation of performance of Board, its Committees and individual directors to be carried out either by the Board, by the Committee or by an independent external agency and review its implementation and compliance.
5. To evaluate the balance of skills, knowledge and experience on the Board for every appointment of an Independent Director and on the basis of such evaluation prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description.
6. For the purpose of identifying suitable candidates for appointment as Independent Directors, the Committee may use the services of an external agencies, if required; consider candidates from a wide range of backgrounds, having due regard to diversity; and consider the time commitments of the candidates.
7. Devising a Policy on Board Diversity.
8. Formulate the criteria for determining qualifications, positive attributes and independence of a Director.
9. To recommend a Policy to the Board relating to the remuneration for the Directors, KMP and other employees, for its approval.
10. 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.

    Senior Management for the above purpose shall mean personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the CEO / MD / WTD / Manager (including CEO / Manager, not part of the board) and shall specifically include the functional heads, by whatever name called and CS and CFO.

11. To recommend to the Board remuneration proposed to be paid, to Executive Directors, Non-executive Directors (other than Independent Directors), Whole-time Key Managerial Personnel and Senior Management, with proper justification for such remuneration.
12. To seek information from management and have full access to the Company's records relevant to it's functioning in discharge of its obligations.
13. To make recommendations to the Board on any matter within its purview, by passing appropriate resolutions.
14. To note information on recruitment and remuneration of Senior Officers just below the level of Board of Directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
15. 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.

On the recommendation of the Nomination and Remuneration Committee, the Board has, inter alia, approved the following evaluation criteria for the Independent Directors:

- Participation in Board in terms of adequacy (time & content);
- Contribution at meetings;
- Guidance / support to Management outside Board / Committee meetings;
- Fulfilment of functions;
- Independent views and judgement.

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 endeavors to attract, retain, develop and motivate the high-caliber executives and to incentivize them to develop and implement strategy, thereby enhancing the business value and maintaining 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 salient features of the Remuneration Policy forms a part of the Director's Report.

Appointment and Remuneration of Executive Chairman / Whole-time Directors

The re-appointment and remuneration of Samir Mehta as Executive Chairman of the Company was decided by the Board and approved by the shareholders through Postal Ballot on 7th March, 2020. The appointment is for a period of five years effective from 1st April, 2020 till 31st March, 2025 subject to provisions contained in Regulation 17(1B) of the Listing Regulations, as amended from time to time. He being a director liable to retire by rotation at the forthcoming AGM and being eligible, has offered himself for re-appointment.

Jinesh Shah was appointed as Director (Operations) of the Company for the period of 5 (five) years effective from 1st August, 2019. The shareholders through Postal Ballot approved the said appointment, along with remuneration, on 7th March, 2020.

Aman Mehta was appointed as Whole-time Director of the Company for the period of 5 (five) years effective from 1st August, 2022. The shareholders through Postal Ballot approved the said appointment, along with remuneration, on 9th September, 2022.

Remuneration of Non-Executive Directors including Independent Directors

1. The shareholders at the AGM held on 23rd July, 2019 approved the payment of commission to the Non-Executive Directors (NEDs), in accordance with and upto the limit laid down under the provisions of the Companies Act, 2013 for the period of 5 (five) years commencing from 1st April, 2020 and authorised the Board of Directors or any Committee of the Board, specifically authorized for the purpose, to decide the actual amount of commission for each year. The commission is determined based on the participation of the directors in the meetings of the Board and / or Committees thereof, as well as on industry practice, performance of the Company and contribution by the Directors, etc. Further, the Board has approved the payment of sitting fees at the rate of ₹ 1 lakh per meeting to the IDs for each Board and Committee meeting attended by them.
2. In case of absence or inadequacy of profits in any financial year, the NEDs shall be paid such remuneration as approved by the Board or its Committee authorised for the purpose, subject to such approval as may be necessary.
3. The commission for any financial year shall be paid on its approval by the Board.

Details of remuneration of Directors for the year ended 31st March, 2023 are as under:

(₹ in lakhs)

Name & Designation of Director$	Salary & Perquisites	Commission##	Sitting Fees++	Total
Sudhir Mehta, Chairman Emeritus^	Nil	Nil	Nil	Nil
Samir Mehta, Executive Chairman	0.40**	2300.00	Nil	2300.40
Shailesh Haribhakti	Nil	67.00	22.00	89.00
Haigreve Khaitan	Nil	64.00	19.00	83.00
Ameera Shah	Nil	57.00	12.00	69.00
Nayantara Bali	Nil	60.00	19.00	79.00
Dr. Maurice Chagnaud	Nil	57.00	14.00	71.00
Manish Choksi	Nil	35.00	7.00	42.00
Jinesh Shah, Director (Operations)	588.68#***	Nil	Nil	588.68
Aman Mehta, Whole-time Director	205.87+#***	Nil	Nil	205.87
Total	**794.95**	**2,640.00**	**93.00**	**3,527.95**

Notes:

$ The terms of appointment of Executive Chairman / Whole-time Director are governed by the resolutions of the shareholders and applicable rules of the Company.

^ Sudhir Mehta though eligible for Commission, waived his right to receive the same.

Includes house rent allowance, contribution to provident fund & value of perquisites provided.

\+ Aman Mehta has been appointed as Whole-time Director w.e.f. 1st August, 2022.

Commission as approved by the Board pursuant to the shareholders' approval within the limit specified in the Companies Act, 2013.

++ Sitting Fees as approved by the Board under Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

** In addition they are covered under group personal accident and group mediclaim policy as per Company's Rules.

Khaitan & Co. and Khaitan & Co. LLP., the law firms in which Haigreve Khaitan, an Independent Director, is a partner, were paid ₹ 0.83 crores as professional fees for legal services provided during the year. Apart from above, there were no other pecuniary relationships / transactions with the Independent Directors vis-à-vis the Company.

During the year, the Company and its subsidiaries has not provided any loans and advances in the nature of loans to any firms / companies in which directors are interested.

6. CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY COMMITTEE

Pursuant to Section 135 of the Companies Act, 2013, the Company has constituted Corporate Social Responsibility and Sustainability Committee, inter alia, to formulate Corporate Social Responsibility (CSR) Policy, to recommend the amount of expenditure to be incurred on social activities and to monitor the CSR Policy.

During the year, two meetings of the Committee were held on 25th May, 2022 and 21st October, 2022.

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 held during the tenure	No. of meetings attended
Nayantara Bali, Chairperson[1]	ID	2	2
Ameera Shah[2]	ID	1	0
Shailesh Haribhakti	ID	2	2
Manish Choksi[3]	ID	1	1
Jinesh Shah	WTD	2	2

Note:

1. Nayantara Bali was appointed as a Chairperson of the Committee with effect from 21st October, 2022.
2. Ameera Shah ceased to be a Chairperson and a member of the Committee with effect from 29th July, 2022.
3. Manish Choksi was appointed as member of the Committee with effect from 29th July, 2022.

7. GENERAL BODY MEETINGS

Details of the AGM held during last three years are as under:

AGM	Date	Time	Venue	No. of special resolutions passed
47th AGM	30th July, 2020	09.30 AM	Meeting conducted through VC / OAVM	1
48th AGM	27th July, 2021	09:30 AM		4
49th AGM	29th July, 2022	09:30 AM		1

During the year, the Company sought approval from the shareholders through Postal ballots as detailed below:

Date of Notice: 25th May, 2022

Date of declaration of Results: 01st July, 2022

Resolutions approved:

1. Ordinary Resolution for Increase in Authorised Share Capital from ₹ 150 crores to ₹ 225 crores and amendment in capital clause of the Memorandum of Association, passed with 98.68% votes casted in favour;
2. Ordinary Resolution for Issue of Bonus Shares, passed with 98.69% votes casted in favour;
3. Special Resolution for Appointment of Dr. Maurice Chagnaud as an Independent Director of the Company, passed with 100% votes casted in favour.

Date of Notice: 29th July, 2022

Date of declaration of Results: 9th September, 2022

Resolutions approved:

1. Special Resolution for Appointment of Manish Choksi as an Independent Director of the Company, passed with 99.97% votes casted in favour;
2. Ordinary Resolution for Appointment of Aman Mehta as Director and Whole-time Director and fixation of Remuneration, passed with 87.90% votes casted in favour.

Rajesh Parekh, Partner, RPAP & Co., Practicing Company Secretary, was appointed as a Scrutinizer and has conducted the postal ballot for the aforesaid proposals.

The procedure prescribed under Section 108 and 110 of the Companies Act, 2013 read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of Listing Regulations and the guidelines prescribed by MCA Circulars were duly followed for conducting the postal ballot process for approving the above mentioned resolutions.

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

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

8. DISCLOSURES

a. Legal Compliances

The Company follows a formal management policy and system of legal compliance and 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 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 ("Code") lays down important corporate ethical practices that shape the Company's value system and business functions and represents cherished values of the Company. The Code provides guidance to employees in recognizing and dealing with important ethical and legal issues and fosters a culture of honesty and accountability. The code of conducts includes Integrity, Gifts, Conflict of Interest, Legal compliance, Respect for people, Environmental commitment, Safety, Confidential & Proprietary Information, Financial Information, Company assets, Computer Network use & Security, Records maintenance and Management.

The Code 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 for the effective period. The declaration by the Executive Chairman to that effect forms part of this report as Annexure 1.

c. Prevention of Insider Trading

The Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons ("Insider Trading Code") is aimed to prevent any insider trading and applicable to all the designated persons who are expected to have access to the unpublished price sensitive information relating to the Company. The Company lays down the guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing in shares of the Company. The Company has also adopted the Policy for determination of legitimate purposes which forms part of Fair Disclosure Code. The Company conducted the quiz for the employees covered under the Designated Persons and also sends the advisory mails on regular basis to reinstate the basic understanding of the provisions of Insider Trading Code / SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Audit Committee reviews cases of non-compliances, if any and the said non – compliances are promptly intimated to the Stock Exchanges in the prescribed format.

d. Related Party Transactions

Pursuant to Regulation 23 of the Listing Regulations and applicable provisions of the Companies Act, 2013, the Company has formulated Policy on Materiality of and dealing with Related Party Transactions ("Related Party Transactions Policy") for dealing with related party transactions. All the related party transactions are entered in compliance to the provisions of the law and the Related Party Transactions Policy. The Related Party Transactions Policy was revised on 25th May, 2022 to align it with the amendments carried out in the Listing Regulations. A copy of the Related Party Transactions Policy for dealing with related party transactions is available on the website **http://torrentpharma.com/pdf/investors/Related_Party_Transactions_Policy.pdf**

The Company has also formulated Policy on Determining Material Subsidiaries as required under Listing Regulations. A copy of this policy is available on the website **http://torrentpharma.com/pdf/investors/Policy_for_determining_Material_Subsidiaries.pdf**

All the related party transactions are duly approved by Audit Committee / Board as required under the provisions of the Companies Act, 2013 and Listing Regulations as well as the Related Party Transactions Policy of the Company. The only material related party transactions of the Company were with its wholly owned subsidiary in US, whose accounts are consolidated with the Company's accounts. Please refer to Note 40 of Standalone Financial Statements, forming part of the Annual Report for details of the related party transactions during the year.

e. CEO / CFO Certification

The Executive Chairman and Chief Financial Officer (CFO) of the Company give an annual certificate on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations. The Executive Chairman and CFO also give quarterly certificate on financial results while placing the financial results before the Board in terms of Regulation 33(2)(a) of the Listing Regulations.

f. Reconciliation of Share Capital Audit

As required by the Securities and Exchange Board of India (SEBI), quarterly audit of the Company's share capital is being carried out by a Practicing Company Secretary to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) (collectively Depositories) and held in physical form, with the total issued and listed capital. The Certificate confirming the same is submitted to BSE Limited and the National Stock Exchange of India Limited on a quarterly basis and is also placed before the Board of Directors.

g. Certificate from Company Secretary in Practice regarding appointment and continuation of directors

The Company has obtained the Certificate from the Practising Company Secretary certifying that none of the directors of the Company are debarred or disqualified from being appointed or continuing as directors of Company by SEBI / MCA or any such authority.

h. Details of unclaimed shares as per Listing Regulations

In terms of Regulation 39(4) of the Listing Regulations, the Company reports the following details in respect of equity shares transferred from the "Torrent Pharmaceuticals Limited – Unclaimed Suspense Account" during the year and the balance in the same at the beginning and at the end of the year:

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. 1st April, 2022	10	3,680
Fully paid-up Equity Shares of ₹ 5 each issued in the ratio of 1:1 as Bonus Shares during 2022-23	-	3,680
Total Shares		**7,360**
Number of shareholders who approached the Company / Registrars and Transfer Agents (RTA) for transfer of shares from unclaimed suspense account during the year ended 31st March, 2023	-	-
Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the year ended 31st March, 2023	-	-
Number of shares transferred to IEPF authority from Unclaimed Suspense Account during the year ended 31st March, 2023	-*	400
Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account at the end of the year i.e. as on 31st March, 2023	10	6,960

* There is no change in the number of shareholders whose shares have been transferred from Unclaimed Suspense Account to IEPF authority as the same shareholder continue to appear in the Unclaimed Suspense Account on account of Bonus Shares which are still lying in Unclaimed Suspense Account.

The voting rights on such shares shall remain frozen till the rightful owner claims the shares.

i. Whistle Blower Policy

The Company has implemented a Whistle Blower Policy to create consistent value propositions to all stakeholders. The Code of Business Conduct ("the Code") lays down the important corporate ethical practices that shape the Company's business practices and represents the ever cherished value of the Company. The Whistle Blower Policy helps in ensuring that the Code is followed by one and all in the organization. Employees are sensitized to practice highest level of honesty, integrity and ethical behavior in all of its operations. Through this policy, the Company encourages employees, stakeholders, shareholders and directors to report any instance of unethical conduct, actual or suspected fraud or violations of the Company's Code that could adversely affect Company's operations, business performance and / or reputation.

In accordance with this Whistle Blower Policy, the Company conducts an impartial investigation when any of the above incidents are reported and appropriate action is taken to ensure required standards of professional and ethical conduct are met. Employees who report such incidents to the Company are suitably protected. The investigation results are communicated to all those involved and a written report of the results is drawn up. The Audit Committee (AC) reviews the operation of the company's whistle blower mechanism on a quarterly basis. The Policy can be viewed on the Company's website at **www.torrentpharma.com**

The policy also sets out the reporting and investigation procedures to be followed. All protected disclosures must be reported using the contact information provided in the Policy, with the additional reporting of financial matters using the contact information of the Company's Chief Financial Officer (CFO). If the protected disclosures involve the CFO, CEO, or any other Director of the Company, the relevant disclosures must be made directly to the Chair of the AC. Phone calls, emails, and letters can all be used as modes of communication to make protected disclosures.

No person has been denied access to the Chairman of the AC.

j. Commodity price risk and hedging activities

The Company purchases Active Pharmaceutical Ingredient (API) and other materials that are used in the manufacturing of drugs. The prices of raw material generally fluctuate in line with commodity cycles over short period of time.

Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. The Company also has Risk Management framework to pro-actively mitigate the impact through measures like cost based price increases, cost reduction measures, portfolio rationalization, renegotiating procurement contracts etc. Additionally, the Company also develops on an ongoing basis alternate supply sources for key products subject to economic justification. Most of these materials are sourced from the domestic market and therefore do not have significant foreign exchange fluctuation risks. The Company does not use any derivative contracts to hedge exposure to fluctuations in commodity prices.

k. Policy on Protection of Women against Sexual Harassment at Workplace

In order to ensure a safe and harassment-free workplace for its women employees, the Company has implemented a Policy on the Protection of Women against Sexual Harassment at Workplace. This policy encourages female employees to pursue their careers without fear of prejudice, gender bias, sexual harassment and / or other implicit or explicit orientations. In accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, Complaints Resolution Committees are established at administrative units / offices for this purpose.

In 2022-23, there were no complaints registered in the SHP forum.

l. Details of material subsidiaries of the Company:

The Company has one Material Subsidiary i.e. Torrent Pharma Inc. incorporated on 13th January, 2004 under the laws of State of Delaware at United States. BSR & Co. LLP, Chartered Accountants have been appointed as Statutory Auditors of Torrent Pharma Inc. from the FY 2015-16.

m. Mandatory & Non-Mandatory Clauses

The Company has complied with all mandatory requirements laid down by Listing Regulations including those specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46.

The non-mandatory requirements complied with are disclosed below:

Audit Qualification: The Company's financial statements for the year 2022-23 do not contain any modified audit opinion.
Reporting of Internal Auditors: The Internal Auditors present their internal audit observations quarterly to the Audit Committee.

9. COMMUNICATION TO SHAREHOLDERS

During the year, audited quarterly and annual financial results on standalone basis and un-audited quarterly and audited annual financial results on a consolidated basis of the Company were submitted to the stock exchanges soon after the Board meeting approved these and were published in leading newspapers viz The Financial Express and The Indian Express in all edition of English language and The Financial Express in Gujarati language. These were also promptly put on the Company's website **www.torrentpharma.com.** All official news release of relevance, quarterly / annual results and presentations made by the Company to investors / analysts were also made available on the Company's website. The Company sends soft copies of Annual Report to those shareholders whose e-mail ids are registered with the Depository Participants 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 Corporate Governance" of the Ministry of Corporate Affairs.

10. GENERAL SHAREHOLDER INFORMATION

a. 50th AGM

Date & Time	**Monday, 7th August, 2023 at 09:30 AM**
Venue	The Company is going to conduct the meeting through VC / OAVM pursuant to the MCA circular dated 5th May, 2020 read with MCA circular dated 28th December, 2022 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.

b. Tentative Financial Calendar for the year 2023-24

Financial year	1st April to 31st March
First Quarter results	First week of August 2023
Half Yearly results	First week of November 2023
Third Quarter results	Fourth week of January 2024
Results for year-end	Second week of May 2024

c. Record date

23rd June, 2023

d. Dividend payment date

The proposed dividend, if approved at the ensuing AGM will be distributed around 14th August, 2023.

e. Listing on Stock Exchanges and Security Codes

Name of Stock Exchange	Security Code
A. Equity shares	
BSE Limited, Mumbai (BSE)	500420
National Stock Exchange of India Limited, Mumbai (NSE)	TORNTPHARM
B. Non-Convertible Debentures	
National Stock Exchange of India Limited, Mumbai (NSE)	

The Company has paid the annual listing fees for the year 2023-24 to both the above stock exchanges.

f. Market Price Data

The closing market price of equity share on 31st March, 2023 (last trading day of the year) was ₹ 1,537.35 on BSE & ₹ 1,537.15 on NSE.

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 13th July, 2022 for first four months to achieve comparability):

Monthly Share Price movement during the financial year ended 31st March, 2023 at BSE & NSE:

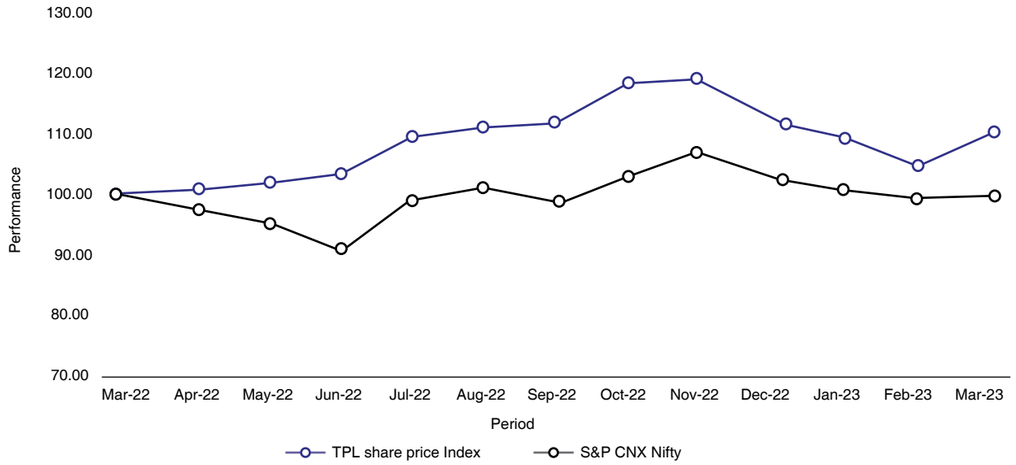
(share price in ₹)

Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
Apr-22	1,452.28	1,345.50	1,50,852	1,451.98	1,345.05	55,38,418
May-22	1,476.95	1,242.50	4,10,260	1,477.45	1,242.08	1,38,39,514
Jun-22	1,465.23	1,343.88	1,16,722	1,464.50	1,359.20	50,63,330
Jul-22	1,538.40	1,421.00	3,92,944	1,539.00	1,419.03	66,28,370
Aug-22	1,605.00	1,503.00	2,07,238	1,605.00	1,480.40	53,31,762
Sep-22	1,565.00	1,449.25	4,06,155	1,565.90	1,448.80	75,62,625
Oct-22	1,655.00	1,549.70	5,19,920	1,655.00	1,549.30	54,68,582
Nov-22	1,722.70	1,597.80	98,052	1,750.00	1,596.55	61,06,650
Dec-22	1,661.05	1,531.25	61,163	1,664.00	1,544.00	53,25,677
Jan-23	1,632.00	1,507.05	59,206	1,632.35	1,507.50	35,29,137
Feb-23	1,579.85	1,454.30	58,188	1,572.05	1,454.00	43,79,479
Mar-23	1,563.00	1,446.15	84,777	1,564.90	1,445.55	50,18,935
Total			**25,65,477**			**7,37,92,479**
% of volume traded to outstanding shares			**0.76%**			**21.80%**

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 13th July, 2022 for first four months to achieve comparability):

Month	TPL Share Price at NSE**	S&P CNX Nifty**	Relative Index for comparison purpose	
			TPL share price index	S&P CNX Nifty
Mar-22	1,395.98	17,464.75	100.00	100.00
Apr-22	1,407.18	17,102.55	100.80	97.93
May-22	1,416.30	16,584.55	101.46	94.96
Jun-22	1,430.13	15,780.25	102.45	90.35
Jul-22	1,528.80	17,158.25	109.51	98.25
Aug-22	1,550.55	17,759.30	111.07	101.69
Sep-22	1,559.85	17,094.35	111.74	97.88
Oct-22	1,650.00	18,012.20	118.20	103.13
Nov-22	1,659.90	18,758.35	118.91	107.41
Dec-22	1,550.60	18,105.30	111.08	103.67
Jan-23	1,521.75	17,662.15	109.01	101.13
Feb-23	1,459.85	17,303.95	104.58	99.08
Mar-23	1,537.15	17,359.75	110.11	99.40
** data as on closing of the month				

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



g. Distribution of shareholding as at 31st March, 2023

By size of shareholding:

Category (Shares)	Mode of Holding	No. of Shares	% To Equity	No. of Holders	% To Holders
1 - 1,000	Electronic	6,927,441	2.05	61,152	93.25
	Physical	115,929	0.03	368	0.56
1,001 - 2,000	Electronic	3,434,716	1.01	2,279	3.48
	Physical	426,720	0.13	268	0.41
2,001 - 10,000	Electronic	4,061,441	1.20	960	1.46
	Physical	102,960	0.03	27	0.04
10,001 - 20,000	Electronic	2,304,888	0.68	163	0.25
	Physical	43,200	0.01	3	0.00
Above 20,000	Electronic	321,028,145	94.85	361	0.55
	Physical	--	--	--	--
Total	**Electronic**	337,756,631	99.80	64,915	98.99
	Physical	688,809	0.20	666	1.01
	Total:	**338,445,440**	**100.00**	**65,581**	**100.00**

By category of shareholders:

Category	No. of Shares		Total Shares	% of Holding
	Electronic	Physical		
Promoter's Group	241,129,440	--	241,129,440	71.25
Mutual Fund	21,574,859	--	21,574,859	6.37
Bank, FIs, AIFs & Insurance Companies	6,546,572	--	6,546,572	1.93
Foreign Institutional Investors / NRIs	41,342,739	--	41,342,739	12.22
Bodies Corporate	1,124,524	5,255	1,129,779	0.33
Indian Public	19,184,773	683,554	19,868,327	5.87
Others	6,493,512	--	6,493,512	1.92
IEPF	360,212	--	360,212	0.11
Total	**337,756,631**	**688,809**	**338,445,440**	**100.00**

h. Dematerialisation of securities

The equity shares of the Company are traded compulsorily in the dematerialised segment of all the stock exchanges and are under rolling settlement. Approximately 99.80% of the shares have been dematerialised. Shares held by promoters are all in dematerialised form. The demat security (ISIN) code for the equity share is INE685A01028.

i. Share transfer system

SEBI vide its circular dated 25th January 2022, has mandated that listed companies shall issue the securities in dematerialized form only, in order to enhance ease of dealing in securities markets by investors, for transactions including Issue of duplicate securities certificate, claim from unclaimed suspense account, renewal / exchange of securities certificate, endorsement, sub-division / splitting of securities certificate, consolidation of securities certificates / folios, transmission and transposition of shares. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website under the link at **https://www.torrentpharma.com/index.php/investors/shareHolder**. The details of transmission approved by the delegates are noted by the Securities Transfer and Stakeholders Relationship Committee. The Company obtains from a Company Secretary in Practice an annual certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations 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 electronic mode need not be approved by the Company.

The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing / updating their PAN, KYC details and Nomination pursuant to the SEBI Circular dated 16th March, 2023. Attention of the Members holding shares of the Company in physical form is invited to go through the said important communication under the web link at **https://www.torrentpharma.com/index.php/investors/shareHolder**.

j. Credit Ratings

Details of all credit ratings obtained by the Company for its borrowings including debt instruments are as follows:

ICRA Ltd has assigned credit rating of -

- [ICRA] AA+ (Stable) for banking facilities and non-convertible debentures.
- [ICRA] A1+ for commercial paper program of the Company.

During the year under review, ICRA has upgraded rating from [ICRA] AA (Positive) to [ICRA] AA+ (Stable) for banking facilities and non-convertible debentures.

India Ratings and Research Private Limited ("India Ratings") has assigned rating of -

- IND AA+ (Stable) for Non-convertible debentures and term loans.

During the year under review, India Ratings has upgraded rating from IND AA (Positive) to IND AA+ (Stable) for Non-Convertible debentures and term loans.

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

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

l. Registered Office

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

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

m. 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-10, East District, Gangtok (Sikkim) – Unit I & Unit II
4. NH-10, Bagheykhola Village, Majhitar, Rangpo, East Sikkim (Sikkim) – Unit III
5. Plot No 810, Sector III, Industrial area, Pithampur, Dist - Dhar (Madhya Pradesh)
6. Plot No.77, J N Pharma City, Thanam Village, Parawada-Mandal, Vizag (Andhra Pradesh)
7. Plot No. Z104-106, Dahej SEZ Phase II, Taluka Vagra, Dist. Bharuch (Gujarat).

n. Discontinued Operations

Torrent Pharma Inc. - 2091 Hartel Street, Pennsylvania 19057, U.S.A

o. Project Site

1. Bileshwarpura, Taluka Kalol, District Gandhinagar (Gujarat)
2. DTPS-443A, Khoraj, Virochannagar, Ahmedabad-Viramgam Highway, Sanand, Ahmedabad (Gujarat)

p. Research & Development Facility

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

q. Compliance Officer

Chintan M. Trivedi
Company Secretary
Torrent House, Off Ashram Road, Ahmedabad – 380 009, Gujarat, India
Phone : + 91 79 26599000 Fax: + 91 79 26582100
E-mail ID : **chintantrivedi@torrentpharma.com**

r. Investor Services

E-mail ID : **investorservices@torrentpharma.com**

s. Registrars & Transfer Agents (RTA)

KFIN Technologies Limited
Unit: Torrent Pharmaceuticals Limited
Selenium Tower-B, Plot No. 31 & 32, Financial District,
Gachibowli, Hyderabad - 500 032, India
Tel No : +91 40 67162222
Fax No : +91 40 23001153
Contact person: Ganesh Chandra Patro
E-mail ID : **einward.ris@kfintech.com**

t. Debenture Trustee

IDBI TRUSTEESHIP SERVICES LIMITED
Universal Insurance Building,
Ground Floor, Sir P.M. Road,
Fort, Mumbai – 400 001
Website : **http://www.idbitrustee.com**
E-mail ID : **itsl@idbitrustee.com**
Tel. No : + 91 22 4080 7000
Fax No : +91 22 6631 1776

For and on behalf of the Board of Directors
Samir Mehta
Executive Chairman
DIN: 00061903

Mumbai
30th May, 2023

ANNEXURE 1 TO CORPORATE GOVERNANCE REPORT

To
The Shareholders,

Affirmation of Compliance with Code of Business Conduct

I, Samir Mehta, Executive 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, 2022 or the date of their joining the Company, whichever is later, to 31st March, 2023 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.

Samir Mehta
Executive Chairman
DIN: 00061903

Mumbai
30th May, 2023

Independent Auditor's Report

To the Members of

Torrent Pharmaceuticals Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Torrent Pharmaceuticals Limited (the "Company"), which comprise the standalone balance sheet as at 31st March, 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (in which are included the financial statements of erstwhile Curatio Health Care (I) Private Limited (CHPL) as at 31st March, 2023 and for the period from 14th October, 2022 to 31st March, 2023 audited by other auditor, pursuant to the Scheme of Arrangement in the nature of Amalgamation of CHPL with the Company which has been approved by the National Company Law Tribunal vide its order dated 17th May, 2023 with the appointed date of 14th October, 2022) (hereinafter together referred to as standalone financial statements).

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditor on separate financial statements of CHPL as at 31st March, 2023 and for the period from 14th October, 2022 to 31st March, 2023 as were audited by the other auditor, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of the report of the other auditor referred to in paragraph(a) of the "Other Matter" section below, is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report (Continued)

Impairment Testing of Goodwill

See Note 4.8.2, 8 and 9 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company tests goodwill for impairment annually, or more frequently when there is an indication that the cash generating unit to which goodwill has been allocated may be impaired. We identified the annual impairment assessment of goodwill as a key audit matter because the assessment process is complex and judgmental by nature and is based on assumptions on: • projected future cash inflows; • expected growth rate and profitability; • discount rate; • perpetuity value based on long term growth rate;	Our audit procedures included the following: • Testing operating effectiveness of controls over determination of the recoverable amounts of cash generating units. Cash generating units for this purpose are those to which the goodwill is allocated; • Evaluating the model used in determining the recoverable value of the cash generating units; • Assessing the reasonableness of prior period cash flow forecasts of the Company by reference to actual performance to assess forecast accuracy; • Challenging the significant assumptions and judgements used in impairment analysis, such as forecast revenue, margins, long term growth and discount rates in comparison to economic and industry forecasts with the assistance of our valuations specialist; • Performing sensitivity analysis of the key assumptions, such as future revenue growth rates, future gross margins, and the discount rate used in determining the recoverable value; • Evaluating the adequacy of disclosures, including disclosures of key assumptions, judgements and sensitivities.

Business combination - Purchase Price Allocation for acquisition of Curatio Health Care (I) Private Limited

See Note 4.2.1 and 42 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
On 14th October, 2022, the Company acquired 100% of the equity shares of Curatio Health Care (I) Private Limited ("Curatio") and its two wholly owned subsidiaries, Curatio Inc., Philippines and Curatio International Lanka (PVT) Ltd., Sri Lanka. The purchase price amounted to ₹2,000 crores. Subsequently, the Company filed a Scheme of Arrangement in the nature of Amagamation ('Scheme') with the National Company Law Tribunal ('NCLT') for merger of Curatio with the Company. The Scheme was approved by the NCLT on 17th May, 2023, with an appointed date of 14th October, 2022. The acquisition is accounted for in accordance with Ind AS 103 *Business Combinations*. The assets, liabilities including the identifiable intangible assets acquired are stated at their fair values which are determined in the course of the purchase price allocation performed. The excess of acquisition cost over the identified fair value of recognised assets and liabilities is recognised as goodwill. This results in the net assets measured at fair value aggregating to ₹1,920.40 crores and goodwill of ₹79.60 crores. The purchase price allocation has been performed by an independent valuer and requires the management and the Board of Directors to make various estimates and assumptions. Due to the matter described, we considered the business combination and in particular the purchase price allocation as a key audit matter in our audit.	Our audit procedures included the following: • Reading the share purchase agreement, the approved scheme of merger and other related documents to obtain an understanding of the acquisition and the key terms and conditions; • Evaluating the design, implementation, and operating effectiveness of the relevant internal controls over accounting for business combination; • Evaluating the competence, capabilities, and objectivity of the independent valuer appointed by management. Along with our valuation specialist evaluated the reasonableness of methodology and key assumptions used by management and the independent valuer to measure the assets and liabilities at their fair values; • Assessing the adequacy and appropriateness of accounting and disclosures made in accordance with Ind AS 103 *Business Combinations*.

Independent Auditor's Report (Continued)

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report(s) thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditor, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the Companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the respective Management and Board of Directors are responsible for assessing the ability of each Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors are also responsible for overseeing the financial reporting process of each Company.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

Independent Auditor's Report (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of CHPL to express an opinion on the standalone financial statements. For the financial statements of CHPL included in the standalone financial statements, which has been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matter" in this audit report.

We communicate with those charged with governance of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

a. We did not audit the financial statements of CHPL (component) included in the standalone financial statements of the Company whose financial statements reflect total assets of ₹171.12 crores as at 31st March, 2023 and total revenue of ₹126.35 crores and net cash outflows amounting to ₹50.61 crores for the period from 14th October, 2022 to 31st March, 2023, as considered in the standalone financial statements. The financial statements of this component have been audited by the other auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this component, and our report in terms of Section 143(11) of the Act, in so far as it relates to this component is based solely on the report of such other auditor.

   Our opinion is not modified in respect of this matter.

Independent Auditor's Report (Continued)

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of CHPL, as noted in the "Other Matter" paragraph (a), we report, to the extent applicable, that:

a. We have sought and 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 and the report of the other auditor.

c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 20th April, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and CHPL and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 report of the other auditor on separate financial statements of CHPL, as noted in the "Other Matter" paragraph (a):

a. The Company has disclosed the impact of pending litigations as at 31st March, 2023 on its financial position in its standalone financial statements - Refer Note 41 to the standalone financial statements.

b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 39 to the standalone financial statements.

c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

d (i) The respective management of the Company and CHPL incorporated in India whose financial statements have been audited have represented to us and the other auditor of CHPL that, to the best of their knowledge and belief, as disclosed in the Note 47 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or CHPL to

Independent Auditor's Report (Continued)

or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or CHPL ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective management of the Company and CHPL incorporated in India whose financial statements have been audited have represented to us and the other auditor of CHPL that, to the best of their knowledge and belief, as disclosed in the Note 47 to the standalone financial statements, no funds have been received by the Company or CHPL from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or CHPL shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditor of CHPL incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditor to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

The interim dividend declared and paid by the Company during the year and until the date of this Audit report is in accordance with Section 123 of the Act.

As stated in Note 48 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company or CHPL only with effect from 1st April, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us the remuneration paid/payable by the Company to their directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid/ payable to any director by the Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sadashiv Shetty
Partner
Membership No.: 048648
ICAI UDIN: 23048648BGWANN2757

Place: Mumbai
Date: 30th May 2023

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Torrent Pharmaceuticals Limited for the year ended 31st March, 2023

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programmeme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programmeme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in companies and other parties and granted unsecured loan to other parties, in respect of which the requisite information is provided in clause (a) to (f) as below to the extent applicable. The Company has not made any investments in firms and limited liability partnership and not granted loans secured or unsecured to companies, firms and limited liability partnership during the year.

(a)

(₹ in crores)

Particulars	Loans
Aggregate amount during the year	
Others	2.88
Balance outstanding as at balance sheet date	
Others	4.21

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Torrent Pharmaceuticals Limited for the year ended 31st March, 2023 (Continued)

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made and the terms and conditions of the grant of loans provided during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect Service tax, Duty of excise, Sales tax and Value added tax of during the year since effective 1st July, 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at for a period of more than six months from the date they became payable.

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Torrent Pharmaceuticals Limited for the year ended 31st March, 2023 (Continued)

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are reported under Annexure I to this report.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Torrent Pharmaceuticals Limited for the year ended 31st March, 2023 (Continued)

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one CIC.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Torrent Pharmaceuticals Limited for the year ended 31st March, 2023 (Continued)

(xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.

(b) Based on information and explanations provided to us, in respect of ongoing projects, the Company through its implementing agency has transferred the unspent amount to a Special Account within a period of 30 days from the end of the financial year in compliance with Section 135(6) of the said Act.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sadashiv Shetty
Partner
Membership No.: 048648
ICAI UDIN: 23048648BGWANN2757

Place: Mumbai
Date: 30th May 2023

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Torrent Pharmaceuticals Limited for the year ended 31st March, 2023 (Continued)

Annexure I

(₹ in crores)

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount involved	Amount unpaid
The Central Excise Act, 1944	Cenvat Credit/Input service tax/demand of duty & penalty	CESTAT- Kolkata	2011-12	2.80	2.74
Finance Act, 1994	Demand of Service Tax/ Interest/Penalty	CESTAT- Ahmedabad	2013-14 to 2015-16	6.62	6.62
Finance Act, 1994	Demand of Service Tax/ Interest/Penalty	Supreme Court of India	2007-08 to June-2012	61.01	61.01
Finance Act, 1994	Demand of Service Tax/ Interest/Penalty	Commissioner of GST & Central Excise-Ahmedabad	July-2012 to Sept-2013 October-2013 to March-2015	11.69	11.69
The Central Excise Act, 1944	Cenvat Credit/Input service tax/demand of duty & penalty	CESTAT- Ahmedabad	2012-13 and 2013-14	13.07	12.77
The Central Goods & ServicesTax Act,2017	Interest on Input tax credit refund recovery	Gujarat High Court	July & August-2017	5.00	5.00
The Central Excise Act, 1944	Cenvat Credit/Input service tax/demand of duty & penalty	Dy. Commr. of CGST & Central Excise,Kalol	2005-06	0.05	0.03
The Central Excise Act, 1944	Cenvat Credit/Input service tax/demand of duty & penalty	Dy. Commr. of CGST & Central Excise,Kalol	2013-14 & 2014-15	0.19	0.19
The Central Excise Act, 1944	Cenvat Credit/ Interest & penalty	Commissioner- CGST (Appeals) Siliguri	2016-17 to June-2017	3.83	3.74
The Central Goods & Services Tax Act, 2017	Input Tax Credit	CESTAT- Ahmedabad	2017-18	0.72	0.69
Madhya Pradesh Vat Act, 2002	Demand of Tax	Assistant Commissioner of Commercial Tax, Madhya Pradesh	2014-15,2015-16 and 2016-17	0.06	0.05
Madhya Pradesh Entry Tax Act, 1976	Demand of Entry Tax	Assistant Commissioner of Commercial Tax, Madhya Pradesh	2015-16 and 2016-17	0.15	0.12
Uttar Pradesh Trade Tax Act, 1948	Demand of Tax	Joint Commissioner Commercial Tax, Uttar Pradesh	2003-04 and 2005-06	0.41	0.33
West Bengal Value Added Tax Act, 2003	Demand of Tax	West Bengal Taxation Tribunal	2008-09 & 2015-16	2.42	2.42
Andhra Pradesh Value Added Tax Act, 2005	Demand of Tax	Commercial Tax Officer	2015-16	0.08	0.08
Kerala Value Added Tax Act , 2003	Demand of Tax	Asst / Jt. Commissioner of Commercial Tax	2007-08 & 2015-16	0.33	0.31
Jharkhand Value Added Tax Act, 2005	Demand of Tax	Asst Commissioner of Commercial Tax	2015-16	0.03	0.03
Employees' State Insurance Act, 1948	Contribution towards ESI	High Court, Gujarat	November 1991-March-2023	16.08	16.08

Annexure B to the Independent Auditor's Report on the Standalone Financial Statements of Torrent Pharmaceuticals Limited for the year ended 31st March, 2023

Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the Internal Financial Controls with reference to financial statements of Torrent Pharmaceuticals Limited ("the Company") as of 31st March, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date, (in which are included internal financial controls with reference to financial statements of erstwhile Curatio Health Care (I) Private Limited (CHPL), a company incorporated in India under the Companies Act, 2013, pursuant to the Scheme of Arrangement in the nature of Amalgamation of CHPL with the Company which has been approved by the National Company Law Tribunal vide its order dated 17th May 2023 with the appointed date of 14th October, 2022), as of that date.

In our opinion and based on the consideration of report of the other auditor on internal financial controls with reference to financial statements of CHPL as were audited by the other auditor, the Company and CHPL which was a company incorporated in India have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March, 2023, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Annexure B to the Independent Auditor's Report on the Standalone Financial Statements of Torrent Pharmaceuticals Limited for the year ended 31st March, 2023 (Continued)

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to CHPL (component), which was a company incorporated in India, is based on the corresponding report of the auditor of such component.

Our opinion is not modified in respect of this matter.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sadashiv Shetty
Partner
Membership No.: 048648
ICAI UDIN: 23048648BGWANN2757

Place: Mumbai
Date: 30th May, 2023

Standalone Balance Sheet

(₹ in crores)

	Notes	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	6	2,601.60	2,537.78
Capital work-in-progress	6	674.90	543.54
Right-of-use assets	7	85.89	81.58
Goodwill	8	323.56	243.96
Other intangible assets	9	4,960.80	3,387.93
Intangible assets under development	9	23.03	23.96
Financial assets			
Investments	10	205.12	183.66
Loans	11	2.50	1.75
Other financial assets	12	12.01	34.40
		219.63	**219.81**
Income tax assets (net)		32.97	29.02
Other non-current assets	13	22.47	24.93
Total non-current assets		**8,944.85**	**7,092.51**
Current assets			
Inventories	14	1,602.23	1,797.11
Financial assets			
Investments	10	156.09	183.98
Trade receivables	15	1,729.44	1,541.35
Cash and cash equivalents	16	85.40	65.00
Bank balances other than cash and cash equivalents	17	62.21	4.46
Loans	11	1.71	2.61
Other financial assets	12	61.36	112.73
		2,096.21	**1,910.13**
Other current assets	13	228.64	226.16
Non-current assets held for sale	45	-	126.65
Total current assets		**3,927.08**	**4,060.05**
TOTAL ASSETS		**12,871.93**	**11,152.56**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	169.23	84.62
Other equity	19	6,286.73	6,260.80
Total equity		**6,455.96**	**6,345.42**
Non-current liabilities			
Financial liabilities			
Borrowings	20	2,331.78	1,971.60
Lease liabilities		6.87	0.79
Other financial liabilities	24	20.87	5.04
		2,359.52	**1,977.43**
Provisions	21	244.54	210.83
Deferred tax liabilities (net)	22	401.30	193.56
Other non-current liabilities	25	1.46	1.96
Total non-current liabilities		**3,006.82**	**2,383.78**
Current liabilities			
Financial liabilities			
Borrowings	20	2,233.78	1,371.81
Lease liabilities		3.04	3.31
Trade payables	23		
Total outstanding dues of micro enterprises and small enterprises		17.96	20.36
Total outstanding dues of creditors other than micro enterprises and small enterprises		592.67	603.85
		610.63	**624.21**
Other financial liabilities	24	336.49	187.23
		3,183.94	**2,186.56**
Provisions	21	150.63	120.34
Other current liabilities	25	74.58	116.46
Total current liabilities		**3,409.15**	**2,423.36**
TOTAL EQUITY AND LIABILITIES		**12,871.93**	**11,152.56**
Notes forming part of the Standalone Financial Statements	1 - 50		

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Sadashiv Shetty
Partner
Membership No. 048648

Mumbai
30th May, 2023

For and on behalf of the Board of Directors

Samir Mehta
Executive Chairman
DIN: 00061903

Sudhir Menon
Executive Director (Finance) & Chief Financial Officer

Chintan Trivedi
Company Secretary

Mumbai
30th May, 2023

Standalone Statement of Profit and Loss

(₹ in crores)

	Notes	Year ended 31st March, 2023	Year ended 31st March, 2022
INCOME			
Revenue from operations	26	7,695.20	6,742.32
Other income	27	81.88	204.17
Total Income		**7,777.08**	**6,946.49**
EXPENSES			
Cost of materials consumed	28	1,477.42	1,528.60
Purchases of stock-in-trade		533.56	397.24
Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	128.44	(18.34)
Employee benefits expense	30	1,251.22	1,097.93
Finance costs	31	297.68	236.29
Depreciation and amortisation expense	32	672.34	602.43
Other expenses	33	1,839.40	1,636.13
Total Expenses		**6,200.06**	**5,480.28**
PROFIT BEFORE TAX		**1,577.02**	**1,466.21**
TAX EXPENSE	22		
Current tax		274.20	253.27
Deferred tax charge		251.43	221.49
		525.63	**474.76**
PROFIT FOR THE YEAR		**1,051.39**	**991.45**
Other comprehensive income for the year, net of taxes			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement (losses) on defined benefit plans		(7.76)	(2.39)
Equity instruments through other comprehensive income		0.38	0.25
Income tax relating to items that will not be reclassified subsequently to profit or loss			
Re-measurement gains on defined benefit plans		0.69	0.84
Equity instruments through other comprehensive income		(0.13)	(0.09)
Items that will be reclassified subsequently to profit or loss			
Effective portion on (losses)/ gains on hedging instruments in a cash flow hedge		(109.15)	3.30
Income tax relating to items that will be reclassified subsequently to profit or loss			
Effective portion on gains/ (losses) on hedging instruments in a cash flow hedge		38.14	(1.15)
		(77.83)	**0.76**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**973.56**	**992.21**
Earnings per share [Nominal value per equity share of ₹5]			
Basic and diluted	35	31.07	29.29
Notes forming part of the Standalone Financial Statements	1 - 50		

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Sadashiv Shetty
Partner
Membership No. 048648

Mumbai
30th May, 2023

For and on behalf of the Board of Directors

Samir Mehta
Executive Chairman
DIN: 00061903

Sudhir Menon
Executive Director (Finance) & Chief Financial Officer

Chintan Trivedi
Company Secretary

Mumbai
30th May, 2023

Standalone Statement of Changes in Equity

(A) Equity Share Capital

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the year	84.62	84.62
Changes during the year *	84.61	-
Balance at the end of the year	**169.23**	**84.62**

* Pursuant to approval given by its shareholders, the Company has during the year ended 31st March, 2023 issued 16,92,22,720 equity shares of ₹5/- each as fully paid-up bonus equity shares in the ratio of 1 (one) equity share for every 1 (one) existing equity share.

(B) Other Equity

(₹ in crores)

	Reserves and surplus					Other comprehensive income		Total
	Retained earnings	General reserve	Debenture redemption reserve	Capital reserve	Securities premium	Equity instruments through other comprehensive income	Effective portion of cash flow hedges	
Balance as at 1st April, 2022	3,212.92	2,857.16	142.86	0.00	4.34	0.17	43.35	6,260.80
Profit for the year	1,051.39	-	-	-	-	-	-	1,051.39
Other comprehensive income for the year (net of tax)	(7.07)	-	-	-	-	0.25	(71.01)	(77.83)
Bonus issued	-	(80.26)	-	-	(4.34)	-	-	(84.60)
Dividends*	(863.03)	-	-	-	-	-	-	(863.03)
Transfer from debenture redemption reserve	-	35.72	(35.72)	-	-	-	-	-
Balance as at 31st March, 2023	**3,394.21**	**2,812.62**	**107.14**	**0.00**	**-**	**0.42**	**(27.66)**	**6,286.73**
Balance as at 1st April, 2021	2,899.91	2,783.95	216.07	0.00	4.34	0.01	41.20	5,945.48
Profit for the year	991.45	-	-	-	-	-	-	991.45
Other comprehensive income for the year (net of tax)	(1.55)	-	-	-	-	0.16	2.15	0.76
Dividends**	(676.89)	-	-	-	-	-	-	(676.89)
Transfer from debenture redemption reserve	-	73.21	(73.21)	-	-	-	-	-
Balance as at 31st March, 2022	**3,212.92**	**2,857.16**	**142.86**	**0.00**	**4.34**	**0.17**	**43.35**	**6,260.80**

* Dividends include 2021-22 final dividend of ₹23 per share (including special dividend of ₹15 per share) and 2022-23 interim dividend of ₹14 per share.

**Dividends include 2020-21 final dividend of ₹15 per share and 2021-22 interim dividend of ₹25 per share.

Standalone Statement of Changes in Equity (Continued)

Nature and purpose of reserves:

(a) Retained earnings: Retained earnings are the profits earned till date, less any transfers to other reserves and dividends distributed.

(b) General reserve: The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

(c) Debenture redemption reserve: The reserve represents amount required to be set aside out of profits in accordance with Companies Act, 2013 upto 16th August, 2019.

(d) Capital reserve: Capital reserve represents profit or loss on cancellation of own forfeited equity instruments.

(e) Securities premium: Securities premium comprises of the premium on issue of shares. The reserve can be utilised in accordance with the specific provision of the Companies Act, 2013.

(f) Equity instruments through other comprehensive income: This represents the cumulative gains and losses arising on revaluation of equity instruments measured at fair value through other comprehensive income.

(g) Effective portion of cash-flow hedges: This represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of effective portion of cash flow hedges will be reclassified to statement of profit and loss only when the hedged items affect the statement of profit and loss.

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Sadashiv Shetty
Partner
Membership No. 048648

Mumbai
30th May, 2023

For and on behalf of the Board of Directors

Samir Mehta
Executive Chairman
DIN: 00061903

Sudhir Menon
Executive Director (Finance) & Chief Financial Officer

Chintan Trivedi
Company Secretary

Mumbai
30th May, 2023

Standalone Statement of Cash Flows

(₹ in crores)

		Year ended 31st March, 2023	Year ended 31st March, 2022
A	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before tax	1,577.02	1,466.21
	Adjustments for:		
	Depreciation and amortisation expense	672.34	602.43
	Allowance for expected credit loss (net)	0.35	(0.04)
	Impairment of investment in subsidiary	-	14.99
	Unrealised foreign exchange loss/ (gain) (net)	73.23	(12.70)
	(Profit)/Loss on sale / discard / write-off of property, plant & equipments	(22.45)	0.34
	Net gain on sale of investments	(19.51)	(10.14)
	Finance costs	297.68	236.29
	Interest income	(11.15)	(3.26)
		2,567.51	**2,294.12**
	Movements in working capital:		
	(Increase) / Decrease in trade receivables	(167.39)	2.91
	(Increase) / Decrease in loans and other assets	(101.41)	15.64
	Increase in Inventories	217.56	114.63
	(Decrease) in Trade payables	(75.78)	(23.84)
	Increase / (Decrease) in Liabilities and provisions	97.38	(23.09)
	CASH GENERATED FROM OPERATIONS	**2,537.87**	**2,380.37**
	Income taxes paid (net of refunds)	(272.46)	(240.27)
	NET CASH FROM OPERATING ACTIVITIES	**2,265.41**	**2,140.10**
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipments and intangible assets (including payment towards capital work-in-progress and capital advances)	(570.90)	(108.18)
	Proceeds from sale of property, plant and equipments (including assets held for sale)	155.18	3.47
	Payment for additional investment in subsidiary	(21.09)	(23.54)
	Acquisition of subsidiary (Refer Note 42)	(2,000.00)	-
	Redemptions of / (Investments in) mutual funds (net)	47.40	(34.79)
	Investment in fixed deposits	(3.93)	(0.01)
	Interest received	9.27	3.35
	NET CASH USED IN INVESTING ACTIVITIES	**(2,384.07)**	**(159.70)**
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from long-term borrowings	1,395.00	-
	Repayment of long-term borrowings	(971.84)	(1,032.98)
	Proceeds from / (repayment of) short term borrowings (net)	797.80	(10.41)
	Repayment of lease obligations	(4.76)	(16.67)
	Dividend paid	(863.03)	(676.89)
	Finance costs paid	(272.43)	(240.32)
	NET CASH FROM/ (USED IN) FINANCING ACTIVITIES	**80.74**	**(1,977.27)**
	NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(37.92)**	**3.13**
	Amount transferred consequent to Amalgamation (Refer Note 42)	58.32	-
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	**65.00**	**61.87**
	CASH AND CASH EQUIVALENTS AT THE END OF YEAR (Refer note 16)	**85.40**	**65.00**

Notes:

(1) The Company considers investing in liquid mutual fund as an important part of its cash management activities. In accordance with Ind AS 7, the same is presented as cash flows from investing activities. As at 31st March, 2023, investment amount is ₹156.06 crores (As at 31st March, 2022: ₹183.96 crores).

Standalone Statement of Cash Flows (Continued)

(₹ in crores)

	Year ended 31st March, 2023	Year ended 31st March, 2022
(2) Changes in liabilities arising from financing activities:		
Long-term borrowings including current maturities of long-term debt (Refer note 20):		
Opening balance	2,943.44	3,974.05
Amount borrowed during the year	1,395.00	-
Amount repaid during the year	(971.84)	(1,032.98)
Amortised cost adjustment	1.20	2.37
Closing balance	**3,367.80**	**2,943.44**
Lease liabilities (Non-Current and Current liabilities):		
Opening balance	4.10	19.71
New lease contracts entered during the year	10.29	0.19
Interest accrued during the year	0.50	0.87
Amount paid during the year	(4.76)	(16.67)
Remeasurement of lease liability	(0.35)	-
Foreign exchange difference	0.13	-
Closing balance	**9.91**	**4.10**
Short-term borrowings (Refer note 20):		
Opening balance	399.97	410.38
Proceeds from / (repayment of) short term borrowings (net)	797.80	(10.41)
Closing balance	**1,197.77**	**399.97**

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Sadashiv Shetty
Partner
Membership No. 048648

Mumbai
30th May, 2023

Sudhir Menon
Executive Director (Finance) & Chief Financial Officer

For and on behalf of the Board of Directors

Samir Mehta
Executive Chairman
DIN: 00061903

Chintan Trivedi
Company Secretary

Mumbai
30th May, 2023

Notes forming part of the Standalone Financial Statements

1 Corporate Information

Torrent Pharmaceuticals Limited ("the Company") is a public limited company incorporated and domiciled in India. The address of its registered office is Torrent House, Off Ashram Road, Ahmedabad – 380 009, Gujarat, India. The Company is one of the leading Indian Pharmaceutical Company engaged in research, development, manufacturing and marketing of generic pharmaceutical formulations. The Company's research and development facility is located in the state of Gujarat, India and its manufacturing facilities are located in the states of Gujarat, Himachal Pradesh, Madhya Pradesh, Andhra Pradesh and Sikkim.

2 Statement of Compliance

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time and other relevant provisions of the Act.

3 Basis of Preparation of Financial Statements

3.1 Basis of preparation and presentation

The financial statements have been prepared and presented under the historical cost convention on an accrual basis of accounting except for the following material items which have been measured at fair value.

- Derivative financial instruments
- Investments in mutual funds, equity instruments and LLP
- Defined benefit plan – plan assets measured at fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if the market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value measurement and/or disclosure purposes in the financial statements is determined on such a basis except for leasing transactions that are within the scope of Ind AS 116 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 Inventories or value in use in Ind AS 36 Impairment of asset.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

All assets and liabilities have been classified as current or non-current as set out in the Schedule III (Division II) to the Companies Act, 2013.

3.2 Functional and presentation currency

The financial statements are presented in Indian Rupees, the currency of the primary economic environment in which the Company operates. All the amounts are stated in the nearest rupee crores.

3.3 Use of estimates

The preparation of financial statements are in conformity with the recognition and measurement principles of Ind AS which requires management to make critical judgements, estimates and assumptions that affect the reporting of assets, liabilities, income and expenditure. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and any revisions to the estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of financial statements, which may cause material adjustment to the carrying amount of assets and liabilities within the next financial year, is in respect of:

- Useful lives of property, plant and equipment (refer note 4.1)
- Valuation of assets acquired as part of business combination (refer note no. 4.2.1)
- Useful lives of intangible assets (refer note 4.3)
- Impairment of investments in subsidiaries (refer note no. 4.5.1)
- Valuation of inventories (refer note 4.7)
- Impairment of intangible assets and goodwill (refer note 4.8.2)
- Employee benefits (refer note no. 4.9)
- Provisions & contingent liabilities (refer note 4.11)
- Sales returns (refer note 4.12)
- Valuation of deferred tax assets (refer note 4.13)

4 Significant Accounting Policies

4.1 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and any accumulated impairment losses. The cost of fixed assets 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 financing of acquisition or construction of the qualifying fixed assets is capitalised to respective assets when the time taken to put the assets to use is substantial.

When major items of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. The cost of replacement of any property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefit associated with the item will flow to the Company and its cost can be measured reliably.

Capital work in progress are those which are not ready for intended use are carried at cost less impairment loss, if any.

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 the project costs and are capitalised. Such expenses are capitalised only if the project to which they relate, involve substantial expansion of capacity or upgradation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from its use. Difference between the sales proceeds and the carrying amount of the asset is recognised in the statement of profit and loss.

Freehold land is carried at historical cost and not depreciated. Depreciation on property, plant and equipment is provided using straight-line method based on useful life of the assets estimated by the management. The estimated useful lives, residual values and depreciation method are reviewed at each financial year-end and changes in estimates, if any are accounted for on a prospective basis.

Notes forming part of the Standalone Financial Statements

4.1 Property, plant and equipment (continued)

The estimated useful lives of property, plant and equipments are as under:

Type of property, plant and equipment	Useful life
Office buildings*	58 years
Factory buildings*	28 years
Plant and equipments*	10 to 20 years
Laboratory equipments*	5 to 20 years
Electrical equipments*	10 to 20 years
Furniture & Fixtures	10 years
Office equipments*	10 years
Wind power plant*	25 years
Solar power plant*	30 years
Computer equipments	3 years
Vehicles	10 years

* For these classes of assets, the useful life of assets is different than the prescribed life as per Part C of Schedule II of the Companies Act, 2013. The different useful life is based on internal technical evaluation by the Company and historical usage of assets.

4.2 Business combinations and goodwill

4.2.1 Business combinations

Business Combinations are accounted for using the acquisition method of accounting. Transaction costs incurred in connection with business combination are expensed in the statement of profit and loss. The identifiable assets and liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

In case of bargain purchase where the fair value of identifiable assets and liabilities exceed the cost of acquisition, the excess is recognised in other comprehensive income on the acquisition date and accumulate the same in equity as capital reserve after reassessing the fair values of the net identifiable assets and contingent liabilities.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Business combinations arising from transfers of interests in entities that are under the common control are accounted for using the pooling of interests method. The assets and liabilities of the combining entities are reflected at their carrying amounts and no adjustments are made to reflect their fair values or recognise any new assets or liabilities. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in capital reserve and presented separately from other capital reserves with disclosure of its nature and purpose. The financial statement of prior period is restated as if the business combination had occurred from the beginning of the preceding period, irrespective of the actual date of combination.

4.2.2 Goodwill

Goodwill represents the excess of the consideration paid to acquire a business over underlying fair value of the identified assets acquired. Goodwill is carried at cost less accumulated impairment losses, if any. Goodwill is deemed to have an indefinite useful life and is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

4.2.2 Goodwill (continued)

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units (CGUs) that is expected to benefit from the synergies of the combination. Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

4.3 Intangible assets

Intangible assets acquired separately are measured at cost of acquisition. Intangible assets acquired under business combination are measured at fair value as of the date of business combination. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment losses, if any.

Acquired research and development intangible assets that are under development are recognised as intangible assets under development. These assets are not amortised but evaluated for potential impairment on an annual basis or when there are indications that the carrying value may not be recoverable. Any impairment is recognised as an expense in the statement of profit and loss.

Intangible assets are amortised over their respective estimated useful life using straight-line method. The estimated useful life of amortisable intangibles is reviewed at the end of each reporting period and change in estimates if any are accounted for on a prospective basis.

The estimated useful lives of intangible assets are as mentioned below:

Type of intangible asset	Useful life
Softwares	3 to 5 years
Product licenses	Upto 15 years
Brands	Upto 15 years
Non-compete fees	Upto 5 years
Drug master files	10 years

4.4 Foreign currency transaction and translation

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. The net gain or loss on account of exchange differences arising on settlement of foreign currency transactions are recognised as income or expense of the period in which they arise. Monetary assets and liabilities denominated in foreign currency as at the balance sheet date are translated at the closing rate. The resultant exchange rate differences are recognised in the statement of profit and loss. Non-monetary assets and liabilities are carried at the rates prevailing on the date of transaction.

4.5 Financial instruments

4.5.1 Financial assets

(a) Classification of financial assets:

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss) and
- those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Notes forming part of the Standalone Financial Statements

4.5.1 Financial assets (continued)

(b) Initial measurement:

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

(c) Subsequent measurement:

- **Amortised Cost**

  Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Fair value through other comprehensive income (FVOCI)**

  Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains and losses and impairment expenses in other expenses.

- **Fair value through profit or loss (FVTPL)**

  Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains / (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

(d) Derecognition of financial assets:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset

When the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of financial asset, the financial asset is derecognised if the Company has not retained control over the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Notes forming part of the Standalone Financial Statements

4.5.1 Financial assets (continued)

(e) Income recognition:

Dividend is accounted when the right to receive payment is established. Interest income from financial assets is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

(f) Cash and cash equivalents:

Cash and cash equivalents consists of cash on hand, short demand deposits and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value. Short term means investments with original maturities / holding period of three months or less from the date of investments. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalent for the purpose of statement of cash flow.

(g) Investments:

Investments in mutual funds are primarily held for the Company's temporary cash requirements and can be readily convertible in cash. These investments are initially recorded at fair value and classified as fair value through profit or loss.

The Company measures investment in subsidiaries at cost less provision for impairment, if any.

The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments, not held for trading, in other comprehensive income.

(h) Trade receivables:

Trade receivables are amounts due from customers for sale of goods or services performed in the ordinary course of business. Trade receivables are initially recognised at its transaction price which is considered to be its fair value and are classified as current assets as it is expected to be received within the normal operating cycle of the business.

4.5.2 Financial liabilities

The Company's financial liabilities include trade payables, loans and borrowing and derivative financial instruments.

(a) Classification:

All the Company's financial liabilities, except for financial liabilities at fair value through profit or loss, are measured at amortised cost.

(b) Initial measurement:

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(c) Subsequent measurement:

Financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate Method. The Effective Interest Rate Method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Notes forming part of the Standalone Financial Statements

4.5.2 Financial liabilities (continued)

(d) Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or waived off or have expired. An exchange between the Company and the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(e) Borrowings:

Borrowings are initially recorded at fair value and subsequently measured at amortised costs using effective interest rate method. Transaction costs are charged to statement of profit and loss as financial expenses over the term of borrowing.

(f) Trade payables:

Trade payables are amounts due to vendors for purchase of goods or services acquired in the ordinary course of business and are classified as current liabilities to the extent it is expected to be paid within the normal operating cycle of the business.

4.5.3 Derivative financial instruments and hedge accounting

The Company enters into derivative financial instruments to manage its foreign exchange rate risk. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of profit and loss depends on the nature of the hedging relationship and nature of hedged items.

Derivative financial instruments that hedges foreign currency risk associated with highly probable forecasted transactions are designated as cash flow hedges and measured at fair value. The effective portion of such hedges is recorded in cash flow hedge reserve, as a component of equity, and re-classified to the statement of profit and loss in the period corresponding to the occurrence of the forecasted transactions. The ineffective portion of such hedges is recorded in the statement of profit and loss immediately.

Hedge effectiveness is tested both at the inception of the hedge relationship as well as on an ongoing basis. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised or no longer qualifies for hedge accounting.

4.6 Leases – Company as lessee

At inception of a contract, the Company assesses whether a contract is or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified assets for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset the Company assesses whether contract involves the use of an identified asset, the Company has a right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use and the Company has the right to direct the use of the asset.

At the inception date, right-of-use asset is recognised at cost which includes present value of lease payments adjusted for any payments made on or before the commencement of lease and initial direct cost, if any. It is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. Right-of-use asset is depreciated using the straight-line method from the commencement date over the earlier of useful life of the asset or the lease term. When the Company has purchase option available under lease and cost of right-of-use assets reflects that purchase option will be exercised, right-of-use asset is depreciated over the useful life of underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

Notes forming part of the Standalone Financial Statements

4.6 Leases – Company as lessee (continued)

At the inception date, lease liability is recognised at present value of lease payments that are not made at the commencement of lease. Lease liability is subsequently measured by adjusting carrying amount to reflect interest, lease payments and remeasurement, if any.

Lease payments are discounted using the incremental borrowing rate or interest rate implicit in the lease, if the rate can be determined.

The Company has elected not to apply requirements of Ind AS 116 to leases that has a term of 12 months or less and leases for which the underlying asset is of low value. Lease payments of such lease are recognised as an expense on straight line basis over the lease term.

4.7 Inventories

Inventories are carried at the lower of cost and net realisable value.

The cost incurred in bringing the inventory to their existing location and conditions are determined as follows:

a. Raw material and packing material - Purchase cost of materials on a moving average basis.

b. Finished goods (manufactured) and work in progress - Cost of purchase, conversion cost and other costs on a weighted average cost method.

c. Finished Goods (traded) - Purchase cost on a moving average basis.

The cost of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recovered by the Company from tax authorities), and transport, handling and other costs directly attributable to bringing the inventory to their existing location and conditions. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sales.

The Company considers various factors like shelf life, ageing of inventory, product discontinuation, price changes and any other factor which impact the Company's business in determining the allowance for obsolete, non-saleable and slow moving inventories. The Company considers the above factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

4.8 Impairment of assets

4.8.1 Financial assets

At each balance sheet date, the Company assesses whether a financial asset is to be impaired. Ind AS 109 requires the Company to apply expected credit loss model for recognition and measurement of impairment loss. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The impairment loss is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

4.8.2 Non-financial assets

Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis

Notes forming part of the Standalone Financial Statements

4.8.2 Non-financial assets (continued)

unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss to such extent. When an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, such that the increase in the carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit and loss.

Goodwill

CGUs to which goodwill has been allocated are tested for impairment annually or more frequently when there is indication for impairment. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Determination of recoverable amount of CGU requires the management to estimate the future cash flows expected to arise and a suitable discount rate in order to calculate the present value. An impairment loss recognised for goodwill is not reversed in subsequent periods.

4.9 Employee benefits

4.9.1 Short term employee benefits

Short term benefits payable before twelve months after the end of the reporting period in which the employees have rendered service are accounted as expense in statement of profit and loss.

4.9.2 Long term employment benefits

Defined contribution plans:

Contributions to defined contribution plans (provident fund, superannuation and other social security schemes) are recognised as expense when employees have rendered services entitling them to such benefits.

Defined benefit plans:

The Company's net obligation in respect of an approved gratuity plan, which is defined benefit plan, is calculated using the projected unit credit method and the same is carried out by qualified actuary. The current service cost and interest on the net defined benefit liability / (asset) is recognised in the statement of profit and loss. Past service cost are immediately recognised in the statement of profit and loss. Actuarial gains and losses net of deferred taxes arising from experience adjustment and changes in actuarial assumptions are recognised in other comprehensive income in the period in which they arise.

Termination benefits:

Termination benefits are recognised as an expense when the Company is committed without any possibility of withdrawal of an offer made to either terminate employment before the normal retirement date or as a result of an offer made to encourage voluntary retirement.

Compensated absences and earned leaves:

The Company's current policy permits eligible employees to accumulate compensated absences up to a prescribed limit and receive cash in lieu thereof in accordance with the terms of the policy. The Company measures the expected cost of accumulating compensated absences as the additional amount that the Company expects to pay as a result of unused entitlement that has accumulated as at the reporting date. The expected cost of these benefits is calculated using the projected unit credit method by qualified actuary every year. Actuarial gains and losses arising from experience adjustment and changes in actuarial assumptions are recognised in the statement of profit and loss in the period in

Notes forming part of the Standalone Financial Statements

4.9.2 Long term employment benefits (continued)

which they arise. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

4.10 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions for receiving such grant have been and will be fulfilled.

Government grants related to asset are recognised as deferred income and charged to statement of profit and loss on a systematic basis over expected useful life of the related asset.

Government grants are recognised in statement of profit and loss on a systematic basis over the period in which Company recognises as expenses the related costs for which the grants are intended to compensate. Government grants that are receivable as compensation for expenses already incurred are recognised in statement of profit and loss in the period in which they become receivable.

When loans received from the government or related institutions with below-market interest rate, the benefit of below-market interest rate is treated as government grant measured as the difference between the proceeds received and the fair value of loan based on prevailing market interest rate.

4.11 Provisions, contingent liabilities and contingent assets

Contingent liability:

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

Contingent assets:

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised and disclosed only when an inflow of economic benefits is probable.

Provisions:

A provision is recognised when as a result of a past event, the Company has a present obligation whether legal or constructive that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. If the obligation is expected to be settled more than 12 months after the end of reporting date or has no definite settlement date, the provision is recorded as non-current liabilities after giving effect for time value of money, if material. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

4.12 Revenue recognition

Revenue is measured based on the transaction price adjusted for discounts and rebates, which is specified in a contract with customer. Revenue are net of estimated returns and taxes collected from customers.

Revenue from sale of goods is recognised at point in time when control is transferred to the customer and it is probable that consideration will be collected. Control of goods is transferred upon the shipment of the goods to the customer or when goods is made available to the customer.

Notes forming part of the Standalone Financial Statements

4.12 Revenue recognition (continued)

The transaction price is documented on the sales invoice and payment is generally due as per agreed credit terms with customer.

The consideration can be fixed or variable. Variable consideration is only recognised when it is highly probable that a significant reversal will not occur.

Sales return is variable consideration that is recognised and recorded based on historical experience, market conditions 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 trade practices, historical trends, past experience and projected market conditions.

Export entitlements are recognised 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.

4.13 Income taxes

Income tax expense comprises current and deferred tax expense. Income tax expenses are recognised in statement of profit and loss, except when they relate to items recognised in other comprehensive income or directly in equity, in which case, income tax expenses are also recognised in other comprehensive income or directly in equity respectively.

Current tax is the tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted by the end of reporting period by the governing taxation laws, and any adjustment to tax payable in respect of previous periods. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred taxes arising from deductible and taxable temporary differences between the tax base of assets and liabilities and their carrying amount in the financial statements are recognised using substantively enacted tax rates and laws expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. The deferred tax arising from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction are not recognised.

Deferred tax asset are recognised only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilised.

Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to do the same.

For units which enjoy tax holiday benefit, deferred tax assets and liabilities have been provided for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the assets can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

4.14 Earnings per share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Notes forming part of the Standalone Financial Statements

4.15 Research and development

Revenue expenditure on research and development activities is recognised as expense in the separate heads of the statement of profit and loss in the period in which it is incurred.

Expenditure on in-licensed development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised, if the cost can be reliably measured, the product or process is technically and commercially feasible and the Group has sufficient resources to complete the development and to use and sell the asset. Payments to third parties that generally take the form of up-front payments and milestones for in-licensed products, compounds and intellectual property are capitalised when the probability of expected future economic benefits criterion is considered to be satisfied.

4.16 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of these assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

4.17 GST input credit

Goods and service tax (GST) input credit is accounted on an accrual basis on purchase of eligible inputs, capital goods and services. The balance of GST input 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.

4.18 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Company is responsible for allocating resources and assessing performance of the operating segments.

4.19 Operating Cycle

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current as set out in Schedule III of the Act.

4.20 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets and disposal groups classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

5 Recent Accounting Pronouncements

Recent pronouncements Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31st March, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1st April, 2023, as below:

Notes forming part of the Standalone Financial Statements

5 Recent Accounting Pronouncements (continued)

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company does not expect this amendment to have any significant impact in its standalone financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its standalone financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its standalone financial statements.

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Notes forming part of the Standalone Financial Statements

6 Property, Plant and Equipment

(₹ in crores)

	Freehold land	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Electrical equipments	Total
Gross carrying amount as at 1st April, 2022	662.57	1,050.63	1,921.37	64.84	20.45	123.58	221.31	4,064.75
Additions during the year	1.73	79.41	146.94	2.24	5.15	19.39	12.95	267.81
Acquisition through business combinations (Refer note 42)	-	-	0.69	0.48	0.09	0.09	0.11	1.46
Deductions during the year	1.82	0.70	21.81	1.10	0.42	2.39	0.26	28.50
Gross carrying amount as at 31st March, 2023	**662.48**	**1,129.34**	**2,047.19**	**66.46**	**25.27**	**140.67**	**234.11**	**4,305.52**
Accumulated depreciation as at 1st April, 2022	-	241.70	1,043.24	42.12	7.85	87.80	104.26	1,526.97
Depreciation for the year	-	32.48	135.39	3.96	2.26	13.98	11.29	199.36
Deductions during the year	-	0.13	18.60	0.95	0.27	2.22	0.24	22.41
Accumulated depreciation as at 31st March, 2023	**-**	**274.05**	**1,160.03**	**45.13**	**9.84**	**99.56**	**115.31**	**1,703.92**
Net carrying amount as at 31st March, 2023	**662.48**	**855.29**	**887.16**	**21.33**	**15.43**	**41.11**	**118.80**	**2,601.60**
Capital work-in-progress								
Carrying amount as at 1st April, 2022								543.54
Additions during the year								404.27
Deductions/Capitalised during the year								272.91
Carrying amount as at 31st March, 2023								**674.90**
Total								**3,276.50**
Gross carrying amount as at 1st April, 2021	789.22	980.65	1,826.67	61.78	21.50	113.70	210.75	4,004.27
Additions during the year	-	69.98	113.59	3.46	0.69	16.43	10.94	215.09
Deductions during the year	-	-	18.89	0.40	1.74	6.55	0.38	27.96
Non-current assets held for sale (Refer Note 45)	126.65	-	-	-	-	-	-	126.65
Gross carrying amount as at 31st March, 2022	**662.57**	**1,050.63**	**1,921.37**	**64.84**	**20.45**	**123.58**	**221.31**	**4,064.75**
Accumulated depreciation as at 1st April, 2021	-	210.67	923.06	38.53	6.87	83.70	93.37	1,356.20
Depreciation for the year	-	31.03	136.43	3.96	2.04	10.26	11.19	194.91
Deductions during the year	-	-	16.25	0.37	1.06	6.16	0.30	24.14
Accumulated depreciation as at 31st March, 2022	**-**	**241.70**	**1,043.24**	**42.12**	**7.85**	**87.80**	**104.26**	**1,526.97**
Net carrying amount as at 31st March, 2022	**662.57**	**808.93**	**878.13**	**22.72**	**12.60**	**35.78**	**117.05**	**2,537.78**
Capital work-in-progress								
Carrying amount as at 1st April, 2021								554.84
Additions during the year								202.62
Deductions/Capitalised during the year								213.92
Carrying amount as at 31st March, 2022								**543.54**
Total								**3,081.32**

Notes forming part of the Standalone Financial Statements

6 Property, Plant and Equipment (Continued)

(i) Certain property, plant and equipments hypothecated/mortgaged as security for borrowings as disclosed under note 20.

(ii) Capital work-in-progress includes expenditure of ₹39.11 crores (previous year: ₹28.53 crores) incurred in the course of construction.

(iii) The amount of capital commitments is disclosed in note 41.

(iv) Additions to research and development assets during the year are as under:

(₹ in crores)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Buildings	2.20	6.48
Plant and equipments [including laboratory equipments]	17.53	13.07
Electrical equipments	0.27	1.26
Furniture and fixtures	0.41	0.67
Office equipments	1.53	4.30
Vehicles	0.50	-
Intangibles being softwares	3.94	5.56
Total	**26.38**	**31.34**

(v) Pro-rata cost of assets owned jointly with Torrent Power Limited, a fellow subsidiary are as under:

(₹ in crores)

	Proportion of holding	As at 31st March, 2023	As at 31st March, 2022
Freehold Land	50%	23.79	23.79
Freehold Land	30%	35.69	35.69
Building	30%	0.65	0.65
Total		**60.13**	**60.13**

(vi) Capital work-in-progress ageing schedule for the year ended:

(₹ in crores)

As at 31st March, 2023	Amount in Capital work-in-progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress*	117.35	100.51	50.76	276.91	545.53
Others	74.97	15.30	8.25	30.85	129.37
Total	**192.32**	**115.81**	**59.01**	**307.76**	**674.90**

(₹ in crores)

As at 31st March, 2022	Amount in Capital work-in-progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress*	100.51	50.76	83.42	193.51	428.19
Others	48.36	22.62	10.10	34.26	115.35
Total	**148.87**	**73.38**	**93.52**	**227.77**	**543.54**

* In case of Oncology facility, since the project completion date is linked to approval of the facility by relevant regulatory authorities, the same is classified as Project in Progress and shall be capitalised only after said approval/s are received.

(vii) For capital-work-in progress, there is no project whose completion is overdue or has exceeded its cost compared to its original plan.

Notes forming part of the Standalone Financial Statements

7 Right-of-Use Assets

(₹ in crores)

	Land	Buildings	Vehicles	Total
Gross carrying amount as at 1st April, 2022	82.49	8.56	7.21	98.26
Additions during the year	-	10.29	-	10.29
Deductions / Adjustments during the year	-	3.69	1.15	4.84
Gross carrying amount as at 31st March, 2023	**82.49**	**15.16**	**6.06**	**103.71**
Accumulated amortisation as at 1st April, 2022	5.69	5.51	5.48	16.68
Amortisation for the year	1.92	2.51	1.21	5.64
Deductions during the year	-	3.35	1.15	4.50
Accumulated amortisation as at 31st March, 2023	**7.61**	**4.67**	**5.54**	**17.82**
Net carrying amount as at 31st March, 2023	**74.88**	**10.49**	**0.52**	**85.89**
Gross carrying amount as at 1st April, 2021	82.49	8.49	43.85	134.83
Additions during the year	-	0.18	-	0.18
Deductions / Adjustments during the year	-	0.11	36.64	36.75
Gross carrying amount as at 31st March, 2022	**82.49**	**8.56**	**7.21**	**98.26**
Accumulated amortisation as at 1st April, 2021	3.77	3.28	30.54	37.59
Amortisation for the year	1.92	2.34	11.58	15.84
Deductions during the year	-	0.11	36.64	36.75
Accumulated amortisation as at 31st March, 2022	**5.69**	**5.51**	**5.48**	**16.68**
Net carrying amount as at 31st March, 2022	**76.80**	**3.05**	**1.73**	**81.58**

(i) Lease contracts entered by the Company majorly pertains for land, buildings and vehicles taken on lease to conduct its business in the ordinary course.

(ii) Lease expenses of ₹25.60 crores and ₹20.36 crores recognised in statement of profit and loss in other expenses for the year ended 31st March, 2023 and 31st March, 2022 respectively towards short-term leases, lease of low value assets and variable lease rental not included in measurement of lease liability.

(iii) Extension and termination options are included in some of the lease contracts. These are used to maximise operational flexibility in terms of managing assets used in Company's operations.

(iv) Lease obligations, interest expense on lease, maturity profile of lease obligation and payment of lease obligations are disclosed respectively in Balance Sheet, Finance costs (refer note 31), Liquidity risk (refer note 39) and Statement of Cash Flows.

8 Goodwill

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
Balance at beginning of year	243.96	243.96
Goodwill arising on business combinations during the year (Refer Note 42)	79.60	-
Balance at end of year	**323.56**	**243.96**

The Company tests goodwill for impairment annually or based on an indicator. The Company provides for impairment if the carrying amount of goodwill exceeds its recoverable amount. The recoverable amount is determined based on "value in use" calculations which is calculated as the net present value of forecasted cash flows of cash generating unit (CGU) to which the goodwill is related.

Notes forming part of the Standalone Financial Statements

8 Goodwill (Continued)

Key assumptions for CGUs with significant amount of goodwill are as follows:

a) Projected cash flows for five years based on financial budgets / forecasts. The perpetuity value is taken based on the long term growth rate depending on macro economic growth factors.

b) Discount rate applied to projected cash flow is 13.40% to 15.60%.

Acquired brands are considered as CGU for testing of impairment of goodwill generated on such acquisitions.

The Company believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CGU.

9 Other Intangible Assets

(₹ in crores)

	Acquired intangible assets					
	Computer softwares	Product licenses	Brands	Non-compete fees	Drug master files	Total
Gross carrying amount as at 1st April, 2022	139.72	65.30	5,266.80	98.53	25.03	5,595.38
Additions during the year	19.61	44.92	145.00	-	-	209.53
Acquisition through business combinations (Refer Note 42)	0.07	-	1,799.50	31.10	-	1,830.67
Deductions during the year	1.51	-	-	-	-	1.51
Gross carrying amount as at 31st March, 2023	**157.89**	**110.22**	**7,211.30**	**129.63**	**25.03**	**7,634.07**
Accumulated amortisation as at 1st April, 2022	119.54	51.61	1,933.37	88.97	13.96	2,207.45
Amortisation for the year	16.94	19.64	415.80	12.46	2.50	467.34
Deductions during the year	1.52	-	-	-	-	1.52
Accumulated amortisation as at 31st March, 2023	**134.96**	**71.25**	**2,349.17**	**101.43**	**16.46**	**2,673.27**
Net carrying amount as at 31st March, 2023	**22.93**	**38.97**	**4,862.13**	**28.20**	**8.57**	**4,960.80**
Intangible assets under development						
Carrying amount as at 1st April, 2022						23.96
Additions during the year						203.37
Deductions/Capitalised during the year						204.30
Carrying amount as at 31st March, 2023						**23.03**
Total						**4,983.83**
Gross carrying amount as at 1st April, 2021	124.64	54.68	5,266.80	98.53	25.03	5,569.68
Additions during the year	17.01	10.62	-	-	-	27.63
Deductions during the year	1.93	-	-	-	-	1.93
Gross carrying amount as at 31st March, 2022	**139.72**	**65.30**	**5,266.80**	**98.53**	**25.03**	**5,595.38**
Accumulated amortisation as at 1st April, 2021	105.55	43.09	1,582.25	75.36	11.46	1,817.71
Amortisation for the year	15.93	8.52	351.12	13.61	2.50	391.68
Deductions during the year	1.94	-	-	-	-	1.94
Accumulated amortisation as at 31st March, 2022	**119.54**	**51.61**	**1,933.37**	**88.97**	**13.96**	**2,207.45**
Net carrying amount as at 31st March, 2022	**20.18**	**13.69**	**3,333.43**	**9.56**	**11.07**	**3,387.93**
Intangible assets under development						
Carrying amount as at 1st April, 2021						33.27
Additions during the year						19.51
Deductions/Capitalised during the year						28.82
Carrying amount as at 31st March, 2022						**23.96**
Total						**3,411.89**

9 Other Intangible Assets (Continued)

(i) Material intangible assets to the Company's financial statement:

Description of intangible assets	Brands
Net Carrying amount	₹4,862.13 crores as at 31st March, 2023
	(₹3,333.43 crores as at 31st March, 2022)
Remaining amortisation period	6 years to 15 years as at 31st March, 2023
	(7 years to 11 years as at 31st March, 2022)

(ii) Intangible assets under development ageing schedule for the year ended:

(₹ in crores)

	Amount of intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Others (As at 31st March, 2023)	9.24	2.11	2.53	9.15	23.03
Others (As at 31st March, 2022)	0.51	8.74	2.20	12.51	23.96

10 Investments

(₹ in crores)

	No. of shares	As at 31st March, 2023	As at 31st March, 2022
Non-current			
At Cost			
Investments in subsidiaries			
Equity instruments of:			
Zao Torrent Pharma (Russia)	23,802	58.80	58.80
fully paid-up equity shares of Russian Roubles 100 each			
Less: Provision for impairment		(23.08)	(23.08)
		35.72	**35.72**
Torrent Do Brasil Ltda. (Brazil)	1,91,44,418	31.11	31.11
fully paid-up equity shares (Quotas) of Brazilian Reai 1 each			
Torrent Pharma Gmbh (Germany): equity capital	-	23.37	23.37
Torrent Pharma Inc. (USA)	12,000	4.99	4.99
fully paid-up common Stock of USD 100 each			
Torrent Pharma Philippines Inc. (Philippines)	1,92,732	4.75	4.75
fully paid-up equity shares of Philippines Pesos 200 each			
Laboratorios Torrent, S.A. De C.V. (Mexico)	74,741	27.99	27.99
fully paid-up equity shares of Mexican Pesos 1000 each			
Torrent Australasia Pty Ltd (Australia)	6,75,000	0.30	0.30
partly paid-up common stock of Australian Dollar (AUD) 1 each, AUD 0.1282 paid each			
Torrent Pharma (UK) Ltd (United Kingdom)	2,25,000	1.68	1.68
fully paid-up equity shares of United Kingdom's Sterling 1 each			
Torrent Pharma (Thailand) Co., Ltd. (Thailand)	23,80,000	2.10	2.10
fully paid-up equity shares of 5 Thai baht each			

Notes forming part of the Standalone Financial Statements

10 Investments (Continued)

(₹ in crores)

	No. of shares	As at 31st March, 2023	As at 31st March, 2022
Laboratories Torrent (Malaysia) SDN. BHD. (Malaysia)	10,00,000	0.77	0.77
fully paid-up equity shares of 1 Malaysian Ringgit each			
TPL (Malta) Limited , (Malta)	35,04,999	29.64	8.55
fully paid-up equity share of 1 Euro each	(10,04,999)		
Curatio International Lanka (PVT) Ltd, (Sri Lanka)	2,13,48,798	8.43	-
fully paid-up equity shares of LKR 10 each	-		
Less: Provision for impairment		(8.43)	-
		-	-
Curatio Inc., Philippines, (Philippines)	10,88,105	15.21	-
fully paid-up equity shares of PHP 100 each	-		
Less: Provision for impairment		(15.21)	-
		-	-
		162.42	**141.33**
At fair value through other comprehensive income			
Equity instruments of:			
Epigeneres Biotech Private Limited	158	2.00	2.00
fully paid-up equity shares of ₹10 each			
Shivalik Solid Waste Management Limited	20,000	0.02	0.02
fully paid-up equity shares of ₹10 each			
UNM Foundation	50,000	0.05	0.05
fully paid-up equity shares of ₹10 each			
Investment in LLP:			
ABCD Technologies LLP	6.45% *	40.62	40.25
* Share of profit/loss and voting rights			
At amortised cost			
National savings certificates		0.01	0.01
		205.12	**183.66**
Current			
At fair value through other comprehensive income			
Equity instruments of:			
Union Bank of India	5,115	0.03	0.02
fully paid-up equity shares of ₹2 each			
At fair value through profit or loss			
Mutual funds		156.06	183.96
		156.09	**183.98**
		361.21	**367.64**

Notes forming part of the Standalone Financial Statements

10 Investments (Continued)

(₹ in crores)

		As at 31st March, 2023	As at 31st March, 2022
(i)	Aggregate amount of unquoted investments	205.12	183.66
(ii)	Aggregate amount of quoted investments	0.03	0.02
(iii)	Aggregate amount of investment in mutual funds at market value	156.06	183.96
(iv)	Aggregate impairment in value of investment	46.72	23.08
(v)	Ownership interest in all subsidiaries is 100%.		
(vi)	Number of shares in bracket represents shares held in previous year.		

11 Loans

[Unsecured and considered good, unless otherwise stated]

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
Non-current		
Employee loans	2.50	1.75
	2.50	**1.75**
Current		
Employee loans	1.71	2.61
	1.71	**2.61**
	4.21	**4.36**

12 Other Financial Assets

[Considered good, unless otherwise stated]

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
Non-current		
Security deposits	10.48	9.60
Derivative financial instruments	-	24.60
Fixed deposit with maturity of more than 12 months	1.53	0.20
	12.01	**34.40**
Current		
Security deposits	1.13	0.51
Derivative financial instruments	-	85.59
Interest accrued on deposits	1.93	0.05
Production linked incentive benefit receivable	57.48	-
Other receivables (Includes receivables on derivative instrument, etc.)	0.82	26.58
	61.36	**112.73**
	73.37	**147.13**

Notes forming part of the Standalone Financial Statements

13 Other Assets

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
Non-current		
Capital advances	22.47	24.93
	22.47	**24.93**
Current		
Export benefits receivable	7.19	35.53
Claims receivable (indirect tax / insurance / others)	29.09	39.79
Employee advances	6.09	4.90
Pre-paid expenses	51.18	36.31
Indirect taxes recoverable	87.13	67.21
Advances to suppliers	39.13	33.37
Other receivables (Includes gratuity assets (net), etc.)	8.83	9.05
	228.64	**226.16**
	251.11	**251.09**

14 Inventories

[At lower of cost or net realisable value]

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
Raw materials	751.07	839.77
Packing materials	57.26	57.62
Work-in-progress	116.47	177.59
Finished goods	462.98	558.62
Stock-in-trade	214.45	163.51
	1,602.23	**1,797.11**

(i) The Company (reversed) inventory write-down (net) of ₹(28.40) crores and ₹(14.30) crores to statement of profit and loss for the year ended 31st March, 2023 and 31st March, 2022 respectively.

(ii) The Company writes down the value of inventories towards slow moving, non-moving and non-saleable inventory (expires/ damaged) based on historical experience of such items and any recent trends that may suggest realisable amount could differ from historical amounts.

(iii) Inventories are hypothecated as security for borrowings as disclosed under note 20.

Notes forming part of the Standalone Financial Statements

15 Trade Receivables

[Unsecured]

(₹ in crores)

		As at 31st March, 2023	As at 31st March, 2022
(a)	Considered good	1,729.44	1,541.35
(b)	Credit-impaired	5.12	4.77
	Less: Allowance for expected credit loss	5.12	4.77
		1,729.44	**1,541.35**
(i)	Trade receivables are non-interest bearing and are generally on credit period of 60-180 days.		
(ii)	Movements in allowance for expected credit loss:		
	Opening balance	4.77	9.63
	Add/(Less): Provision made/(reversed) during the year (net)	0.35	(0.04)
	Less: Provision used during the year	-	(3.40)
	Less: Translation exchange difference	-	(1.42)
	Closing balance	**5.12**	**4.77**

(iii) Trade receivable ageing schedule for the year ended as on 31st March, 2023 and 31st March, 2022

(₹ in crores)

As at 31st March, 2023	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months- 1 years	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	1,286.54	425.88	6.09	2.83	5.95	2.15	1,729.44
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	0.42	0.42
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	0.32	0.82	0.33	3.23	4.70
Less: Allowance for credit loss							(5.12)
Total							**1,729.44**

Notes forming part of the Standalone Financial Statements

15 Trade Receivables (Continued)

(₹ in crores)

As at 31st March, 2022	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months- 1 years	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	1,163.96	374.88	0.09	-	-	2.41	1,541.35
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	0.00	-	1.23	0.00	1.16	2.40
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	0.40	0.66	0.06	0.46	0.57	0.22	2.37
Less: Allowance for credit loss							(4.77)
Total							**1,541.35**

16 Cash and Cash Equivalents

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
Balances with banks	82.60	64.85
Cash on hand	0.18	0.15
Fixed deposit with original maturity of less than 3 months	2.62	-
	85.40	**65.00**

17 Bank Balances other than Cash and Cash Equivalents

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
Earmarked balances with banks	4.80	4.44
Fixed deposit with original maturity of more than 3 months but less than 12 months	57.41	0.02
	62.21	**4.46**

Earmarked balances with banks primarily relates to unclaimed dividends.

Notes forming part of the Standalone Financial Statements

18 Equity Share Capital

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
Authorised		
42,00,00,000 (previous year 25,00,00,000) equity shares of ₹5 each	210.00	125.00
25,00,000 (previous year 25,00,000) preference shares of ₹100 each	25.00	25.00
	235.00	**150.00**
Issued		
33,84,45,440 (previous year 16,92,22,720) equity shares of ₹5 each	169.23	84.62
Subscribed and fully paid-up		
33,84,45,440 (previous year 16,92,22,720) equity shares of ₹5 each	169.23	84.62
	169.23	**84.62**

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

	As at 31st March, 2023		As at 31st March, 2022	
	Numbers	(₹ in crores)	Numbers	(₹ in crores)
As at the beginning of the year	16,92,22,720	84.62	16,92,22,720	84.62
Add: Bonus shares issued during the year	16,92,22,720	84.61	-	-
Outstanding at the end of the year	33,84,45,440	169.23	16,92,22,720	84.62

(ii) Torrent Investments Private Limited, the holding Company, holds 24,11,27,440 (previous year 12,05,63,720) equity shares of ₹5 each, equivalent to 71.25% (previous year 71.25%) of the total number of subscribed & paid up equity shares, which is the only shareholder holding more than 5 % of total equity shares.

(iii) 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.

(iv) Disclosure of shareholding of promoters:

Shares held by Promoters at the end of the Year		As at 31st March, 2023		As at 31st March, 2022		% change during the year
S. No.	Promoter's Name	No. of Shares	% of total shares	No. of Shares	% of total shares	
1	Sudhir Uttamlal Mehta (HUF)	200	0.00	100	0.00	100%
2	Samir Uttamlal Mehta (HUF)	200	0.00	100	0.00	100%
3	Sudhir Uttamlal Mehta	200	0.00	100	0.00	100%
4	Samir Uttamlal Mehta	200	0.00	100	0.00	100%
5	Anita Sudhir Mehta	200	0.00	100	0.00	100%
6	Sapna Samir Mehta	200	0.00	100	0.00	100%
7	Jinal Sudhir Mehta	200	0.00	100	0.00	100%
8	Varun Sudhir Mehta	200	0.00	100	0.00	100%
9	Shaan Mehta	200	0.00	100	0.00	100%
10	Aman Mehta	200	0.00	100	0.00	100%
11	Torrent Investments Private Limited	24,11,27,440	71.25	12,05,63,720	71.25	100%
Total		**24,11,29,440**	**71.25**	**12,05,64,720**	**71.25**	**100%**

Notes forming part of the Standalone Financial Statements

18 Equity Share Capital (Continued)

(v) Aggregate value of Issued, Subscribed and Paid-up Share Capital as on the Balance Sheet date for the period of preceding five years includes aggregate of 16,92,22,720 equity shares allotted as fully paid up by way of bonus shares during the current year.

19 Other Equity

(Refer Standalone Statement of Changes in Equity for detailed movement in Other Equity)

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
Reserves and Surplus		
Retained earnings	3,394.21	3,212.92
General reserve	2,812.62	2,857.16
Debenture redemption reserve	107.14	142.86
Capital reserve *	0.00	0.00
Securities premium	-	4.34
	6,313.97	**6,217.28**
Other comprehensive income		
Effective portion of cash flow hedges	(27.66)	43.35
Equity instruments through other comprehensive income	0.42	0.17
	(27.24)	**43.52**
	6,286.73	**6,260.80**

* Less than ₹1 Lakh

20 Borrowings

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
Long-term borrowings:		
Non-current		
Secured non-convertible debentures	785.03	772.64
Secured term loans from banks	1,346.75	865.62
Secured term loans from others	200.00	333.34
	2,331.78	**1,971.60**
Current		
Current maturities of long-term debt		
Secured non-convertible debentures	487.86	467.86
Secured term loans from banks	414.82	437.32
Secured term loans from others	133.33	66.66
Other borrowings		
Secured loans from banks	997.77	199.97
Unsecured loans from banks	200.00	200.00
	2,233.78	**1,371.81**
	4,565.56	**3,343.41**

Notes forming part of the Standalone Financial Statements

20 Borrowings (Continued)

Notes:

(i) Term Loans from banks referred above to the extent of:

(a) ₹657.42 crores (Previous year ₹947.60 crores) are secured by first pari-passu mortgage/ charge on immovable as well as tangible movable assets, present and future, located at village Indrad (Manufacturing facility on identified land), Bhat (Research facility), Corporate office, Ahmedabad, all in Gujarat, and village Baddi (Manufacturing facility) in Himachal Pradesh as well as on certain identified trademarks of the Company including its future line extensions.

(b) ₹209.37 crores (Previous year ₹355.34 crores) are secured by first pari passu mortgage/ charge on immovable and tangible movable assets, present and future, located at Dahej (SEZ) in Gujarat (Manufacturing facility) and Gangtok in Sikkim (Manufacturing facility) as well as on certain identified trademarks of the Company including its future line extensions.

(c) ₹145.00 crores (Previous year ₹NIL) are secured by first pari passu mortgage/ charge on immovable as well as tangible movable assets, present and future, located at Dahej (SEZ) in Gujarat (Manufacturing facility) as well as on certain identified trademarks of the Company including its future line extensions, in respect of which company is in the process of creating charge.

(d) ₹349.78 crores (Previous year ₹NIL) are secured by first pari-passu mortgage/ charge on immovable as well as tangible movable assets, present and future, located at village Indrad (Manufacturing facility on identified land) and Bhat (Research facility) as well as on certain identified trademarks of the Company including its future line extensions.

(e) ₹400.00 crores (Previous year ₹NIL) are secured by first pari-passu mortgage/ charge on immovable as well as tangible movable assets, present and future, located at village Indrad (Manufacturing facility on identified land) and Bhat (Research facility) as well as on certain identified trademarks of the Company including its future line extensions, in respect of which company is in the process of creating charge.

(ii) Non-convertible debentures referred above to the extent of :

(a) ₹427.89 crores (Previous year ₹570.50 crores) are secured by first pari-passu mortgage/ charge on immovable as well as tangible movable assets, present and future, located at village Indrad (Manufacturing facility on identified land), Bhat (Research facility), Corporate office, Ahmedabad, all in Gujarat, and village Baddi (Manufacturing facility) in Himachal Pradesh as well as on certain identified trademarks of the Company including its future line extensions.

(b) ₹345.00 crores (Previous year ₹670.00 crores) are secured by first pari passu mortgage/ charge on tangible immovable and movable assets, present and future, located at Dahej (SEZ) in Gujarat (Manufacturing facility) as well as on certain identified trademarks of the Company including its future line extensions.

(c) ₹500.00 crores (Previous year ₹NIL) are secured by first pari-passu mortgage/ charge on immovable as well as tangible movable assets, present and future, located at village Indrad (Manufacturing facility on identified land) and Bhat (Research facility) as well as on certain identified trademarks of the Company including its future line extensions.

(iii) Term Loans from others referred above to the extent of ₹333.33 crores (previous year ₹400.00 crores) are secured by first exclusive mortgage/ charge on identified Land situated at Shilaj-Thaltej, Ahmedabad as well as first pari passu mortgage/ charge on certain identified trademarks of the Company including its future line extensions.

(iv) Short term Borrowings from banks are in nature of working capital facilities which are secured by hypothecation of inventories and book debts.

(v) Average interest rate on borrowings is 7.52% for the year ended 31st March, 2023 (previous year 6.09%).

Notes forming part of the Standalone Financial Statements

20 Borrowings (Continued)

(vi) The principal amount repayable in yearly instalments for long-term borrowings are as under:

Financial year	₹ in crores
2023-24	1,036.01
2024-25	662.51
2025-26	651.81
2026-27	301.37
2027-28	252.38
2028-29	237.75
2029-30	199.50
2030-31	29.75
	3,371.08
Less: Amortised cost adjustment	3.29
Total	**3,367.79**

(vii) Maturity profile and rate of interest of non-convertible debentures are set out as below:

(₹ in crores)

Effective rate of Interest	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	Total repayment	Amortised cost adjustment	Closing Balance
7.70% to 8.71%	487.86	142.86	242.84	100.00	100.00	100.00	100.00	1,273.56	0.67	1,272.89

(viii) The Company has been sanctioned working capital limits from banks on the basis of security of current assets. The quarterly returns or statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

21 Provisions

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
Non-current		
Provision for employee benefits		
Leave benefits	102.66	96.33
Provision for sales returns (Refer Note (i) below)	141.88	114.50
	244.54	**210.83**
Current		
Provision for employee benefits		
Leave benefits	19.80	16.29
Provision for sales returns (Refer Note (i) below)	130.83	104.05
	150.63	**120.34**
	395.17	**331.17**

(i) Provision for sales returns:

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

Notes forming part of the Standalone Financial Statements

21 Provisions (Continued)

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
Opening balance	218.55	188.43
Add: Provision made during the year	149.29	121.09
Less: Provision utilised during the year	(105.76)	(90.97)
Add: Recognised on account of business combination (Refer Note 42)	10.63	-
Closing balance	**272.71**	**218.55**
Non-current provision	141.88	114.50
Current provision	130.83	104.05
Total	**272.71**	**218.55**

(ii) Provision for employee benefits

The provision for employee benefits includes annual leave and vested long service leave entitlements accrued and compensation claims made by employees. For other disclosures of defined benefit plans, refer note 38.

22 Income Taxes

(₹ in crores)

	Year ended 31st March, 2023	Year ended 31st March, 2022
(a) Charge recognised in the statement of profit and loss:		
Current tax:		
Expense for current year	274.20	253.27
Deferred tax:		
Deferred tax charge for the year	251.43	221.49
	525.63	**474.76**
(b) Charge / (credit) recognised in other comprehensive income		
Re-measurement gains on defined benefit plans	0.69	0.84
Equity instruments through other comprehensive income	(0.13)	(0.09)
Effective portion on gains / (losses) on hedging instruments in a cash flow hedge	38.14	(1.15)
	38.70	**(0.40)**
(c) Reconciliation of Effective Tax Rate:		
Profit before income taxes	1,577.02	1,466.21
Enacted tax rate in India	34.94%	34.94%
Expected income tax expenses	**551.07**	**512.35**
Adjustments to reconcile expected income tax expense to reported income tax expense:		
Effect of deductions allowed under Income Tax	(55.83)	(48.80)
Effect of expenses not deductible in determining taxable profit	36.41	40.81
Tax impact on future transition to new tax regime	(20.01)	(25.69)
Deferred Tax on Asset held for Sale	3.90	(3.90)
Others (net)	10.09	-
Adjusted income tax expenses	**525.63**	**474.77**
Effective Tax Rate	33.33%	32.38%

Notes forming part of the Standalone Financial Statements

22 Income Taxes (Continued)

(d) Deferred tax relates to:

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
Deferred tax liabilities:		
Property, plant and equipments, goodwill and other intangible assets	1,014.15	967.14
Cash flow hedge reserve	-	23.28
Deferred tax (assets):		
Provision for employee benefit expense	(41.65)	(41.09)
Valuation of inventories	(11.00)	(9.96)
Non current assets held for sale	-	(3.90)
MAT credit entitlement	(527.42)	(724.06)
Long term capital losses carried forward	(7.68)	(7.73)
Cash flow hedge reserve	(14.86)	-
Others	(10.24)	(10.12)
Deferred tax liabilities net	**401.30**	**193.56**

Under the Income-tax Act, 1961, the Company is liable to pay Minimum Alternate Tax (MAT). MAT paid can be carried forward for a period of 15 years and can be set off against the future tax liabilities. MAT is recognised as a deferred tax asset only when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised based on the approved business plan and projected profitability statement.

(e) Movement of deferred tax liabilities / (assets) during the year:

(₹ in crores)

Year ended 31st March, 2023	Opening balance as at 1st April, 2022	Addition on account of business Combination (Refer Note 42)	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance as at 31st March, 2023
Deferred tax liabilities / (assets) in relation to:					
Property, plant and equipments, goodwill and other intangible assets	967.14	(2.63)	49.64	-	1,014.15
Cash flow hedge reserve	23.28	-	-	(38.14)	(14.86)
Provision for employee benefit expense	(41.09)	(2.38)	2.51	(0.69)	(41.65)
Valuation of inventories	(9.96)	-	(1.04)	-	(11.00)
Non Current assets held for sale	(3.90)	-	3.90	-	-
MAT credit entitlement	(724.06)	-	196.64	-	(527.42)
Long term capital losses carried forward	(7.73)	-	0.05	-	(7.68)
Others	(10.12)	-	(0.27)	0.13	(10.24)
Deferred tax liabilities / (assets) net	**193.56**	**(5.01)**	**251.43**	**(38.70)**	**401.30**

Notes forming part of the Standalone Financial Statements

22 Income Taxes (Continued)

(₹ in crores)

Year ended 31st March, 2022	Opening balance as at 1st April, 2021	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance as at 31st March, 2022
Deferred tax liabilities / (assets) in relation to:				
Property, plant and equipments, goodwill and other intangible assets	976.45	(9.31)	-	967.14
Cash flow hedge reserve	22.13	-	1.15	23.28
Provision for employee benefit expense	(39.25)	(1.00)	(0.84)	(41.09)
Valuation of inventories	(9.26)	(0.70)	-	(9.96)
Non Current assets held for sale	-	(3.90)	-	(3.90)
MAT credit entitlement	(965.65)	241.59	-	(724.06)
Long term capital losses carried forward	-	(7.73)	-	(7.73)
Others	(12.75)	2.54	0.09	(10.12)
Deferred tax liabilities / (assets) net	**(28.33)**	**221.49**	**0.40**	**193.56**

23 Trade Payables

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
Total outstanding dues of micro enterprises and small enterprises	17.96	20.36
Total outstanding dues of creditors other than micro enterprises and small enterprises	592.67	603.85
	610.63	**624.21**

(i) Trade Payables ageing schedule for the year ended as on 31st March, 2023 and 31st March, 2022

(₹ in crores)

As at 31st March, 2023	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than 1 years	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	13.24	4.26	0.09	0.07	0.30	17.96
(ii) Others	148.84	365.53	68.97	2.17	0.62	6.54	592.67
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**148.84**	**378.77**	**73.23**	**2.26**	**0.69**	**6.84**	**610.63**

(₹ in crores)

As at 31st March, 2022	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than 1 years	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	17.20	2.36	0.32	0.31	0.17	20.36
(ii) Others	146.37	366.03	84.36	1.25	0.65	5.19	603.85
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**146.37**	**383.23**	**86.72**	**1.57**	**0.96**	**5.36**	**624.21**

Notes forming part of the Standalone Financial Statements

23 Trade Payables (Continued)

(ii) Disclosures required by the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as under:

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
(a) (i) The principal amount remaining unpaid at the end of the year (Including Creditors for capital goods)	19.56	20.36
(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	14.28	21.65
(ii) Interest actually paid under Section 16 of the MSMED Act	0.07	0.12
(c) Normal interest due and payable during the year, for all the delayed payments, as per the agreed terms	0.08	0.07
(d) Total interest accrued during the year and remaining unpaid	0.08	0.07
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act	-	-

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

24 Other Financial Liabilities

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
Non-Current		
Creditors for capital goods	6.37	0.78
Security deposits	5.39	4.26
Derivative financial instruments	9.11	-
	20.87	**5.04**
Current		
Interest accrued but not due on borrowings	57.72	34.17
Creditors for capital goods	44.17	15.35
Payables for employee benefits	110.06	88.61
Book overdraft	46.25	38.96
Derivative financial instruments	67.34	-
Unclaimed dividend	4.80	4.44
Other payables	6.15	5.70
	336.49	**187.23**
	357.36	**192.27**

Notes forming part of the Standalone Financial Statements

25 Other Liabilities

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
Non-Current		
Government grant	1.46	1.96
	1.46	**1.96**
Current		
Payables to statutory and other authorities	63.85	56.50
Trade advances	1.28	49.66
Government grant	0.50	1.35
Other payables	8.95	8.95
	74.58	**116.46**
	76.04	**118.42**

26 Revenue From Operations

(₹ in crores)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Sales		
Sales in India	5,294.84	4,661.44
Sales outside India	2,251.92	2,004.52
	7,546.76	**6,665.96**
Other operating income		
Export benefits	24.38	24.77
Income from product registration dossiers	3.72	1.72
Compensation and settlement income	38.32	19.64
Government grant income	1.35	2.19
Production Linked Incentive Income	57.48	-
Other operating income	23.19	28.04
	148.44	**76.36**
	7,695.20	**6,742.32**
Reconciliation of revenue from operations with the contracted price:		
Contracted price	7,696.87	6,787.75
Adjustments:		
Discounts	(0.82)	(0.70)
Sales return	(149.29)	(121.09)
Sales	**7,546.76**	**6,665.96**
Add: Other operating income	148.44	76.36
Revenue from operations	**7,695.20**	**6,742.32**
Revenue disaggregation by geography:		
India	5,369.59	4,683.20
Outside India:		
USA	865.43	799.46
Brazil	397.61	304.22
Germany	227.95	198.84
Other countries	834.62	756.60
	7,695.20	**6,742.32**

Revenue from operations also includes contract manufacturing revenue of ₹481.68 crores and ₹547.18 crores for the year ended 31st March, 2023 and 31st March, 2022 respectively.

Notes forming part of the Standalone Financial Statements

27 Other Income

(₹ in crores)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Interest income	11.15	3.26
Net gain on sale of investments (including gain/(loss) on fair valuation ₹0.14 crores and ₹0.26 crores for year ended 31st March, 2023 and 31st March, 2022 respectively)	19.51	10.14
Net foreign exchange gain (including gain on hedging)	10.36	173.38
Profit on sale of property, plant & equipments (net)	22.45	-
Miscellaneous non-operating income	18.41	17.39
	81.88	**204.17**

28 Cost of Materials Consumed

(₹ in crores)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Raw materials	1,255.47	1,318.46
Packing materials	221.95	210.14
	1,477.42	**1,528.60**

29 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

(₹ in crores)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Opening inventory:		
Finished goods	558.62	508.77
Work-in-progress	177.59	180.32
Stock-in-trade	163.51	192.29
	899.72	**881.38**
Add: On account of business combination (Refer Note 42)		
Stock-in-trade	22.62	-
	22.62	**-**
Less: Closing inventory:		
Finished goods	462.98	558.62
Work-in-progress	116.47	177.59
Stock-in-trade	214.45	163.51
	793.90	**899.72**
Changes in inventory	**128.44**	**(18.34)**

30 Employee Benefits Expense

(₹ in crores)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Salaries, wages and bonus	1,101.41	960.23
Contribution to provident and other funds	85.42	76.75
Gratuity cost (Refer Note 38)	24.37	22.98
Staff welfare expenses	40.02	37.97
	1,251.22	**1,097.93**

31 Finance Costs

(₹ in crores)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Interest expenses	295.98	233.29
Interest expenses on lease	0.50	0.87
Other borrowing cost	1.20	2.13
	297.68	**236.29**

32 Depreciation and Amortisation Expense

(₹ in crores)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Depreciation of tangible assets	199.36	194.91
Amortisation of intangible assets	467.34	391.68
Amortisation of right-of-use assets	5.64	15.84
	672.34	**602.43**

33 Other Expenses

(₹ in crores)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Selling, publicity and medical literature expenses	788.92	673.65
Power and fuel	153.21	140.00
Laboratory goods and testing expenses	123.91	137.18
Stores and spares consumed	92.49	94.14
Clinical research expense	29.71	37.06
Travelling, conveyance and vehicle expenses	116.25	55.74
Cost of outsourced manpower	50.90	47.42
Professional and legal fees	75.08	48.68
Allowance for expected credit loss (net)	0.35	(0.04)
Auditors remuneration and expenses (Refer note 36)	1.30	1.22
Commission to Non-Executive Directors	3.40	1.13
Donation	29.85	37.79
Corporate social responsibility expenditure (Refer note 43)	26.73	23.00
General charges	347.30	339.16
	1,839.40	**1,636.13**

Notes forming part of the Standalone Financial Statements

34 Research and Development Expenses

(a) Break-up of research and development expenses included in statement of profit and loss under below heads:

(₹ in crores)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Material cost - Exhibit batches	38.23	55.10
Employee benefits expense		
Salaries, wages and bonus	132.84	117.67
Contribution to provident and other funds	12.48	11.15
Gratuity cost	3.66	3.12
Staff welfare expenses	3.06	3.20
	152.04	**135.14**
Other expenses		
Power and fuel	9.73	8.02
Stores and spares consumed	33.19	30.41
Laboratory goods and testing expenses	97.02	107.64
Travelling, conveyance and vehicle expenses	4.35	2.40
Clinical research expense	29.71	37.06
General charges	31.91	30.75
	205.91	**216.28**
	396.18	**406.52**

(b) Depreciation and amortisation includes ₹25.79 crores (previous year ₹23.36 crores) pertaining to property, plant and equipments and other intangible assets used for research and development purposes.

(c) Capital work in progress and advances for capital expenditure on research and development assets are as under:

(₹ in crores)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Capital work in progress	10.96	17.73
Advances for capital expenditure	0.29	1.11
Total	**11.25**	**18.84**

35 Earnings Per Share

		Year ended 31st March, 2023	Year ended 31st March, 2022
The basic and diluted earnings per share [EPS] are:			
Net profit for the year [a]	(₹ in crores)	1,051.39	991.45
Weighted average number of equity shares [b]	(Nos.)	33,84,45,440	33,84,45,440
EPS (basic and diluted) [a] / [b]	₹	31.07	29.29
Nominal value per equity share	₹	5.00	5.00

Pursuant to approval given by its shareholders, the Company has during the year ended 31st March, 2023 issued 16,92,22,720 equity shares of ₹5/- each as fully paid-up bonus equity shares in the ratio of 1 (one) equity share for every 1 (one) existing equity share. Accordingly, the earnings per share has been adjusted for previous year and presented in accordance with Ind AS 33, Earnings Per Share.

Notes forming part of the Standalone Financial Statements

36 Auditors Remuneration

(₹ in crores)

	Year ended 31st March, 2023	Year ended 31st March, 2022
(a) As audit fees		
Statutory audit fees	0.99	0.92
(b) For quarterly limited reviews of subsidiaries financials	0.17	0.17
(c) For other services	0.09	0.12
(d) For reimbursement of expenses	0.05	0.01
	1.30	**1.22**

37 Donation to Political Parties

Donation includes political contributions of ₹15.00 crores and ₹19.50 crores for the year ended 31st March, 2023 and 31st March, 2022 respectively.

38 Defined Benefit Plans

The accruing liability on account of retirement benefit plans (in the nature of defined benefits plan) is accounted as per Ind-AS 19 "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.

(₹ in crores)

	Year ended 31st March, 2023	Year ended 31st March, 2022
(a) Reconciliation of opening and closing balances of the present value of the defined benefit obligation:		
Obligations at the beginning of the year	294.48	268.66
Addition due to business combination	6.53	-
Current service cost	25.42	24.04
Interest cost	20.41	17.65
Liability transferred in	-	0.05
Liability transferred out	-	(0.46)
Actuarial (gains)/ losses	(0.30)	1.51
Benefits paid directly by the employer	(1.34)	(0.83)
Benefits paid from the fund	(21.71)	(16.14)
Obligations at the end of the year	**323.49**	**294.48**
(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	300.75	278.47
Addition due to business combination	1.10	-
Interest income	20.77	18.30
Return on plan assets, excluding interest income	(8.06)	(0.88)

Notes forming part of the Standalone Financial Statements

38 Defined Benefit Plans (Continued)

(₹ in crores)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Contributions	36.55	21.00
Benefits paid	(21.71)	(16.14)
Plan assets at the end of the year, at fair value	**329.40**	**300.75**
Actual return on plan assets	**12.71**	**17.42**
(c) Expense recognised in the statement of profit and loss for the year:		
Current service cost	25.42	24.04
Net interest on net defined benefit liability	(0.36)	(0.65)
Net gratuity cost *	**25.06**	**23.39**
* ₹0.69 crores (previous year ₹0.41 crores) capitalised as pre-operative expenses out of above amount.		
(d) Losses/(Gains) recognised in other comprehensive income for the year:		
Actuarial (gains)/ losses	(0.30)	1.51
Return on plan assets, excluding interest income	8.06	0.88
	7.76	**2.39**
(e) Reconciliation of the present value of the defined benefit obligation and fair value of plan assets:		
Obligations at the end of the year	323.49	294.48
Plan assets at the end of the year, at fair value	329.40	300.75
Asset recognised in balance sheet	**(5.91)**	**(6.27)**
(f) Remeasurement of net defined benefit liability / (asset):		
Actuarial losses from changes in demographic assumptions	0.57	0.15
Actuarial gains from changes in financial assumptions	(9.73)	(6.65)
Experience adjustments	8.86	8.01
Remeasurement of defined benefit liability	**(0.30)**	**1.51**
Remeasurement of return on plan assets	8.06	0.88
Total	**7.76**	**2.39**
(g) Expected contribution for the next year	15.57	19.14
(h) Assumptions:		
Discount rate	7.41%	6.90%
Salary escalation rate	10.00%	10.00%
Weighted average duration of defined benefit obligation	8 years	8 years

Expected long term productivity gains and 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.

(i) Sensitivity Analysis for each significant actuarial assumption:

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Notes forming part of the Standalone Financial Statements

38 Defined Benefit Plans (Continued)

(₹ in crores)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Impact of increase in discount rate by 1 %	(19.41)	(18.58)
Impact of decrease in discount rate by 1 %	21.90	21.06
Impact of increase in salary escalation rate by 1 %	21.10	20.23
Impact of decrease in salary escalation rate by 1 %	(19.13)	(18.24)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

(j) Investment details of plan assets:

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
Equity instruments	8.24%	8.93%
Corporate bonds	48.27%	43.78%
Government securities	29.98%	24.11%
Other investments and net current assets	13.51%	23.18%

(k) Maturity profile:

The defined benefit obligations shall mature after year ended 31st March, 2023 as follows:

(₹ in crores)

	Undiscounted values
1st following year	36.07
2nd following year	30.24
3rd following year	34.77
4th following year	33.53
5th following year	32.46
Thereafter	417.28

(l) Asset-liability matching strategies:

The Company contributes to the insurance fund based on estimated liability of the next financial year end. The projected liability statement is obtained from the actuarial valuer.

Notes forming part of the Standalone Financial Statements

39 Financial Instruments

(i) Financial assets and liabilities

Accounting classification and fair values:

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below.

(₹ in crores)

As at 31st March, 2023	Carrying Value	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets:					
Amortised cost *:					
Cash and cash equivalents	85.40	-	-	-	-
Bank balances other than cash and cash equivalents	62.21	-	-	-	-
Trade receivables	1,729.44	-	-	-	-
Investments	0.01	-	-	-	-
Loans	4.21	-	-	-	-
Other financial assets	73.37	-	-	-	-
Fair value through other comprehensive income:					
Investment in equity instruments (Other than investment in subsidiaries)	42.72	0.03	-	42.69	42.72
Fair value through profit or loss:					
Investment in mutual funds	156.06	156.06	-	-	156.06
Total	**2,153.42**	**156.09**	**-**	**42.69**	**198.78**
Financial liabilities:					
Amortised cost *:					
Borrowings	4,565.56	-	-	-	-
Trade payables	610.63	-	-	-	-
Lease liaibilities	9.91				
Other financial liabilities	280.91	-	-	-	-
Derivative instruments:					
Designated as cash flow hedge	42.52	-	42.52	-	42.52
Fair value through profit and loss	33.93	-	33.93	-	33.93
Total	**5,543.46**	**-**	**76.45**	**-**	**76.45**

39 Financial Instruments (Continued)

(₹ in crores)

As at 31st March, 2022	Carrying Value	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets:					
Amortised cost *:					
Cash and cash equivalents	65.00	-	-	-	-
Bank balances other than cash and cash equivalents	4.46	-	-	-	-
Trade receivables	1,541.35	-	-	-	-
Investments	0.01	-	-	-	-
Loans	4.36	-	-	-	-
Other financial assets	36.94	-	-	-	-
Fair value through other comprehensive income:					
Investment in equity instruments (Other than investment in subsidiaries)	42.34	0.02	-	42.32	42.34
Fair value through profit or loss:					
Investment in mutual funds	183.96	183.96	-	-	183.96
Derivative instruments:					
Designated as cash flow hedge	66.63	-	66.63	-	66.63
Fair value through profit and loss	43.56	-	43.56	-	43.56
Total	**1,988.61**	**183.98**	**110.19**	**42.32**	**336.49**
Financial liabilities:					
Amortised cost *:					
Borrowings	3,343.41	-	-	-	-
Trade payables	624.21	-	-	-	-
Lease liaibilities	4.10				
Other financial liabilities	192.27	-	-	-	-
Total	**4,163.99**	**-**	**-**	**-**	**-**

* The Company has not disclosed the fair value of financial instruments, because their carrying amount are a reasonable approximation of fair value.

Determination of fair values:

The following are the basis of assumptions used to estimate the fair value of financial assets and liabilities that are measured at fair value on recurring basis:

Investment in mutual funds: The fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.

Equity investments: Equity investments traded in an active market determined by reference to their quoted market prices. Other equity investments where quoted prices are not available, fair values are determined by reference to the expected discounted cash flows from the underlying net assets or current market value of net assets.

Derivative instruments: For forward contracts and cross currency interest rate swaps, future cash flows are estimated based on forward exchange rates and forward interest rates (from observable forward exchange rates / yield curves at the end of the reporting period) and contract forward exchange rates and forward interest rates, discounted at a rate that reflects the credit risk of respective counterparties.

Notes forming part of the Standalone Financial Statements

39 Financial Instruments (Continued)

(ii) Derivative financial instruments

Cash flow hedges:

Derivatives are taken to cover foreign exchange risk of highly probable forecasted sales transactions occurring in foreign currencies and foreign currency borrowings. The following are outstanding derivative contracts designated as cash flow hedges :

Currency	Nature of derivative contracts	Buy / Sell	Net position (Amount in crores)		Fair value gain/(loss) (₹ in crores)	
			31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
USD	Forward contracts	Sell	30.43	32.25	(22.21)	34.17
EUR	Forward contracts	Sell	5.39	4.53	(14.11)	12.35
GBP	Forward contracts	Sell	0.83	0.49	(1.55)	1.85
MXN	Forward contracts	Sell	5.25	5.50	(2.72)	(1.15)
MYR	Forward contracts	Sell	3.48	3.30	(1.62)	(1.68)
RUB	Forward contracts	Sell	59.83	86.86	(0.26)	21.16
THB	Forward contracts	Sell	0.56	0.22	(0.05)	(0.01)
AUD	Forward contracts	Sell	-	0.03	-	(0.06)
					(42.52)	**66.63**
Less: Deferred tax					(14.86)	23.28
Balance in cash flow hedge reserve					**(27.66)**	**43.35**

The movement of cash flow hedges in other comprehensive income is as follows:

(₹ in crores)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Balance at the beginning of the year	43.35	41.20
(Gain) / losses reclassified to profit or loss	74.25	(124.31)
Deferred tax on (gains) / losses reclassified to profit or loss	(25.95)	43.44
Change in the fair value of effective portion of cash flow hedges	(183.40)	127.61
Deferred tax on change in the fair value of effective portion of cash flow hedges	64.09	(44.59)
Balance at the end of the year	**(27.66)**	**43.35**

Net foreign currency outstanding positions of recognised assets and liabilities are as under:

(Amount in crores)

Hedged item / nature of derivative contracts	Buy/Sell	Currency	Net Position under derivative contracts	
			Year ended 31st March, 2023	Year ended 31st March, 2022
1 Foreign currency trade payables				
Forward exchange contracts	Buy	EUR	-	0.01
	Buy	USD	0.06	0.05
2 Foreign currency receivables				
Forward exchange contracts	Sell	USD	14.93	15.10
	Sell	EUR	0.93	0.31
	Sell	RUB	39.32	43.18
	Sell	GBP	0.27	0.37
	Sell	MXN	0.25	0.99
	Sell	MYR	0.86	0.90
	Sell	AUD	-	0.04
	Sell	THB	0.05	-

Notes forming part of the Standalone Financial Statements

39 Financial Instruments (Continued)

(iii) Financial risk management

The Company's activities are exposed to variety of financial risks. These risks include market risk (including foreign exchange risk and interest rate risks), credit risks and liquidity risk. The Company's overall risk management programme seeks to minimise potential adverse effects on the financial performance of the Company through established policies and processes which are laid down to ascertain the extent of risks, setting appropriate limits, controls, continuous monitoring and its compliance.

(a) Market risk:

Market risk refers to the possibility that changes in the market rates may have impact on the Company's profits or the value of its holding of financial instruments. The Company is exposed to market risks on account of foreign exchange rates, interest rates and underlying equity prices.

(a1) Foreign currency exchange rate risk:

The Company's foreign currency risk arises from its foreign operations, investments in foreign subsidiaries, foreign currency transactions and foreign currency borrowings. The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company.

Since a major part of the Company's revenue is in foreign currency and major part of the costs are in Indian Rupees, any movement in currency rates would have impact on the Company's performance. Consequently, the overall objective of the foreign currency risk management is to minimise the short term currency impact on its revenue and cash-flow in order to improve the predictability of the financial performance.

The major foreign currency exposures for the Company are denominated in USD & EURO. Additionally, there are transactions which are entered into in other currencies and are not significant in relation to the total volume of the foreign currency exposures. The Company hedges all trade receivables and future cash flows upto a maximum of 24 months forward based on historical trends, budgets and monthly sales estimates. The foreign exchange forward contracts are denominated in the same currency as the highly probable forecast sales, therefore the hedge ratio is 1:1 based on management's current assessment. Hedge effectiveness is assessed on a regular basis.

The following table sets forth information relating to foreign currency exposure from non-derivative financial instruments:

(₹ in crores)

As at 31st March, 2023	US Dollar	Euro	Others*	Total
Assets:				
Cash and cash equivalents	0.10	-	4.07	4.17
Trade receivables	1,227.38	83.02	87.72	1,398.12
Other assets	15.03	2.25	0.04	17.32
Total	**1,242.51**	**85.27**	**91.83**	**1,419.61**
Liabilities:				
Trade payables	62.48	2.70	16.35	81.53
Other liabilities	2.11	2.10	4.98	9.19
Lease liabilities	-	-	0.10	0.10
Total	**64.59**	**4.80**	**21.43**	**90.82**
Net assets / (liabilities)	**1,177.92**	**80.47**	**70.40**	**1,328.79**

Notes forming part of the Standalone Financial Statements

39 Financial Instruments (Continued)

(₹ in crores)

As at 31st March, 2022	US Dollar	Euro	Others*	Total
Assets:				
Cash and cash equivalents	0.01	-	6.07	6.08
Trade receivables	1,144.31	25.99	103.03	1,273.33
Other assets	18.39	4.52	0.49	23.40
Total	**1,162.71**	**30.51**	**109.59**	**1,302.81**
Liabilities:				
Trade payables	85.86	8.80	12.96	107.62
Other liabilities	11.60	36.79	1.03	49.42
Lease liabilities	-	-	0.41	0.41
Total	**97.46**	**45.59**	**14.40**	**157.45**
Net assets / (liabilities)	**1,065.25**	**(15.08)**	**95.19**	**1,145.36**

*Others mainly includes currencies namely British Pound, Mexican Peso, Russian Rouble.

With respect to the Company's derivative financial instruments which is in the form of forward contracts and currency swap, a 5% increase / decrease in relation to USD & EURO of each of the currencies underlying such contracts would have resulted in increase / decrease of ₹89.31 crores (₹66.50 crores) in the Company's net profit and ₹143.62 crores (₹70.57 crores) in cash flow hedge reserve from such contracts as at 31st March, 2023 and 31st March, 2022 respectively.

With respect to the Company's non-derivative financial instruments (as given above), a 5% increase / decrease in relation to USD & EURO on the underlying would have resulted in increase /decrease of ₹62.92 crores (₹51.75 crores) in the Company's net profit for the year ended 31st March, 2023 and 31st March, 2022 respectively.

(a2) Interest rate risk:

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Company is exposed to fluctuations in interest rates in respect of foreign currency borrowings and rupee borrowings.

As at 31st March, 2023, the Company has outstanding rupee borrowings of ₹3,541.76 crores with variable rate of interest and ₹1,027.10 crores with fixed rate of interest.

Cash flow risk in respect of variable rate instruments:

A change of 100 basis points in interest rate at the reporting date would have increased / (decreased) profit by ₹35.42 crores. This analysis assumes that all other variables remains constant and change occurs on reporting date. The year end balances are not representative of the average borrowings during the year.

Fair value risk in respect of fixed rate instruments:

The Company carries borrowings at amortised cost and hence, change in the interest rate at reporting date does not affect statement of profit or loss.

(b) Credit risk:

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Financial instruments that are subject to concentrations of credit risk materially consists of trade receivables, investments and derivative financial instruments.

Notes forming part of the Standalone Financial Statements

39 Financial Instruments (Continued)

All trade receivables are subject to credit risk exposure. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country, in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through established policies, controls relating to credit approvals and procedures for continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company does not have significant concentration of credit risk related to trade receivables. No single third party customer contributes to more than 10 % of outstanding accounts receivable (excluding outstanding from subsidiaries) as at 31st March, 2023 and 31st March, 2022.

With respect to investments, the Company limits its exposure to credit risk by investing in liquid securities with counterparties depending on their Composite Performance Rankings (CPR) published by CRISIL. The Company's investment policy lays down guidelines with respect to exposure per counterparty, rating, processes in terms of control and continuous monitoring. The Company therefore considers credit risks on such investments to be negligible.

With respect to derivatives, the Company's forex management policy lays down guidelines with respect to exposure per counter party i.e. with banks with high credit rating, processes in terms of control and continuous monitoring. The fair value of the derivatives are credit adjusted at the period end.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is ₹2,151.14 crores and ₹1,928.56 crores as at 31st March, 2023 and 31st March, 2022 respectively, being the total of the carrying amount of balances with banks, bank deposits, trade receivables, other financial assets and investments excluding equity investments, and these financial assets are of good credit quality including those that are past due.

(c) Liquidity risk:

Liquidity risk refers to the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company generates cash flows from operations to meet its financial obligations, maintains adequate liquid assets in the form of cash & cash equivalents and has undrawn short term line of credits from banks to ensure necessary liquidity.

Contractual maturities of significant financial liabilities are as below:

(₹ in crores)

As at 31st March, 2023	Due in Year 0 to 1	Due in Year 1 to 2	Due in Year 3 to 5	Due after Year 5	Total
Trade payables	610.63	-	-	-	610.63
Borrowings*	2,233.78	662.51	1,205.56	467.00	4,568.85
Other financial liabilities					
Lease obligations**	3.04	2.58	4.28	-	9.91
Others (Excluding derivates financial instruments)	269.15	11.76	-	-	280.91
Derivative financial liabilities	67.34	9.11	-	-	76.45
Total	**3,183.94**	**685.96**	**1,209.84**	**467.00**	**5,546.75**

Notes forming part of the Standalone Financial Statements

39 Financial Instruments (Continued)

(₹ in crores)

As at 31st March, 2022	Due in Year 0 to 1	Due in Year 1 to 2	Due in Year 3 to 5	Due after Year 5	Total
Trade payables	624.21	-	-	-	624.21
Borrowings*	1,371.82	1,018.51	957.58	-	3,347.91
Other financial liabilities					
Lease obligations**	3.31	0.73	0.06	-	4.10
Others	187.23	5.04	-	-	192.27
Total	**2,186.57**	**1,024.28**	**957.64**	**-**	**4,168.49**

*Excluding amortised cost adjustment.

**Maturity profile of the Company's lease obligations based on contractual undiscounted payments:

(₹ in crores)

	Due in Year 0 to 1	Due in Year 1 to 2	Due in Year 3 to 5	Due after Year 5	Total
As at 31st March, 2023	3.65	2.99	4.57	-	11.20
As at 31st March, 2022	3.49	0.75	0.06	-	4.30

(iv) Capital management

The capital structure of the Company consists of equity, debt, cash and cash equivalents. The Company's objective for capital management is to maintain the capital structure which will support the Company's strategy to maximize shareholder's value, safeguarding the business continuity and help in supporting the growth of the Company.

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Notes forming part of the Standalone Financial Statements

40 Related Parties and Transactions

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

(₹ in crores)

Particulars	Holding Company		Subsidiaries		Key Management Personnel / Independent Directors		Other related parties		Total	
(a) Nature of Transactions	**2022-23**	**2021-22**	**2022-23**	**2021-22**	**2022-23**	**2021-22**	**2022-23**	**2021-22**	**2022-23**	**2021-22**
Sale of finished goods*	-	-	1,789.92	1,535.62	-	-	-	-	1,789.92	1,535.62
Sale of dossiers	-	-	-	0.03	-	-	-	-	-	0.03
Purchase of material, consumables etc (net of returns)	-	-	2.83	2.78	-	-	-	-	2.83	2.78
Remuneration to key management personnel / independent directors**	-	-	-	-	35.27	27.53	-	-	35.27	27.53
Remuneration	-	-	-	-	-	-	1.68	2.24	1.68	2.24
Contribution to gratuity / superannuation trust	-	-	-	-	-	-	55.23	38.25	55.23	38.25
Lease rent paid	0.02	0.02	-	-	-	-	-	-	0.02	0.02
Services received	-	-	0.78	1.35	-	-	20.35	18.26	21.13	19.61
Sales commission	-	-	-	-	-	-	-	2.70	-	2.70
Donation	-	-	-	-	-	-	7.00	7.50	7.00	7.50
CSR expenditure	-	-	-	-	-	-	24.96	20.93	24.96	20.93
Interest income	-	-	-	-	-	-	0.03	0.03	0.03	0.03
Expenses reimbursement	-	-	(0.99)	5.97	-	-	-	0.16	(0.99)	6.13
Remittance of insurance claim received on behalf	-	-	-	4.90	-	-	-	-	-	4.90
Purchase of property,plant and equipments	-	-	-	-	-	-	0.96	-	0.96	-
Purchase of Intangible assets	-	-	44.92	-	-	-	-	-	44.92	-
Sale of property,plant and equipments (earlier classified as held for sale)	-	-	-	-	-	-	153.53	-	153.53	-
Equity contribution	-	-	21.09	24.87	-	-	-	-	21.09	24.87
Impairment of investment	-	-	-	15.54	-	-	-	-	-	15.54
Profit on disposal of Investment	-	-	-	0.55	-	-	-	-	-	0.55
Payables written back	-	-	-	4.22	-	-	-	-	-	4.22
Recovery of expenses	-	-	3.44	7.40	-	-	0.07	-	3.51	7.40
Guarantee commission income	-	-	11.12	7.93	-	-	-	-	11.12	7.93
Transfer (in) / out of employees (net)	-	-	-	-	-	-	-	0.60	-	0.60

Notes forming part of the Standalone Financial Statements

40 Related Parties and Transactions(Continued)

(₹ in crores)

Particulars	Holding Company		Subsidiaries		Key Management Personnel / Independent Directors		Other related parties		Total	
(b) Balances at the end of the year	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Trade receivables	-	-	1,285.84	1,177.26	-	-	-	-	1,285.84	1,177.26
Security deposit receivable	-	-	-	-	-	-	0.66	0.66	0.66	0.66
Trade advances	-	-	-	39.54	-	-	-	-	-	39.54
Investments in equities	-	-	209.14	164.41	-	-	0.05	0.05	209.19	164.46
Provision for impairment in value of investment	-	-	46.72	23.08	-	-	-	-	46.72	23.08
Trade payables	-	-	6.33	8.12	-	-	1.60	2.20	7.93	10.32
Other payables	-	-	-	-	26.04	21.01	-	-	26.04	21.01
Advances to gratuity trust	-	-	-	-	-	-	0.21	0.21	0.21	0.21
Commitments for Uncalled liability on partly paid shares	-	-	3.25	3.34	-	-	-	-	3.25	3.34
Guarantees given ***	-	-	863.28	795.97	-	-	1.33	1.33	864.61	797.30

* Sale of finished goods includes sale to Torrent Pharma Inc. of ₹812.90 crores for the year ended 31st March, 2023 (previous year ₹745.80 crores).

** Excluding provision for gratuity and leave benefits, insurance premium for group personal accident and group mediclaim.

*** Net Guarantees (withdrawal)/ given (including exchange rate variation) for 2022-23 ₹67.30 crores (Previous Year ₹(43.82) crores) in respect of subsidiaries and ₹NIL (Previous Year ₹1.33 crores) in respect of other related parties.

Names of holding Company, subsidiaries and enterprises controlled by the Company:

1	Holding Company	Torrent Investments Private Limited
2	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, Laboratorios Torrent, S.A. De C.V., Heunet Pharma Gmbh, Torrent Pharma (Thailand) Co., Ltd., Torrent Pharma (UK) Ltd, Laboratories Torrent (Malaysia) SDN.BHD., TPL (Malta) Ltd., Torrent Pharma (Malta) Ltd., Curatio International Lanka (PVT) Ltd (with effect from 14th October, 2022), Curatio Inc., Philippines (with effect from 14th October, 2022)

Terms and conditions of transactions with related parties

All related party transactions entered during the year were in ordinary course of the business and are on an arm's length basis. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

Notes forming part of the Standalone Financial Statements

40 Related Parties and Transactions(Continued)

(c) Remuneration to Key Management Personnel / Independent Directors:

(₹ in crores)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Salaries and other benefits	7.25	5.37
Contribution to defined contribution plan	0.69	0.44
Commission	26.40	21.13
Sitting Fees	0.93	0.59
Total	**35.27**	**27.53**

41 Commitments and Contingencies

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
Commitments:		
(a) Estimated amount of contracts remaining unexecuted on capital account (net of advances) not provided for	431.59	368.37
(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)]	3.25	3.34
	434.84	**371.71**
(c) Guarantees of ₹863.28 crores and ₹795.97 crores are outstanding as at 31st March, 2023 and 31st March, 2022 respectively, which were issued to third parties on behalf of wholly owned subsidiaries for contractual obligations.		
Contingent liabilities:		
(a) Claims against the Company not acknowledged as debts:		
Disputed demand of income tax for which appeals have been preferred	1.60	1.46
Disputed employee state insurance contribution liability under E.S.I. Act, 1948	16.08	15.50
Disputed demand of goods and service tax / excise	121.95	100.81
Disputed demand of local sales tax and C.S.T.	0.24	0.24
Disputed demand of stamp duty and registration charges	3.43	3.43
Disputed cases at labour court / industrial court	7.28	7.05
Disputed bonus liability under Payment of Bonus (Amendment) Act, 2015	0.25	0.25
	150.83	**128.74**

In most of the cases above, the relevant authorities have raised a demand or disallowed / deducted the relevant taxes. The Company has preferred an appeal and the outcome is awaited.

Against the claims not acknowledged as debts, the Company has paid ₹3.96 crores (previous year ₹3.84 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.

Notes forming part of the Standalone Financial Statements

41 Commitments and Contingencies (Continued)

(b) The Company and/or its subsidiaries are involved in certain legal proceedings, including product liability and other commercial matters, that arise from time to time in the ordinary course of business. It is difficult to ascertain the financial effect, if any, of such proceedings that will result from its ultimate disposition due to involvement of complex issues with substantial uncertainties and without any precedents. Additionally, many factors like stage of the proceedings, overall length and extent of discovery process; the entitlement of the parties to an action to appeal a decision; the extent of the claims; the possible need for further legal proceedings to establish the appropriate amount of damages, if any; the settlement posture of the other parties to the litigation; uncertainty in timing of litigation and any other factors that may have an implications on the ultimate outcome of the ongoing litigations. The Company assesses likely outcome based on internal assessment as well as considers views of legal counsel representing the Company. Moreover, Company carries product liability insurance policy of amount which it believes to be sufficient for its needs.

(c) In view of amendment in Section 37(1) of Income Tax Act, 1961 introduced in Finance Act, 2022, it is possible that the Company may get involved in the litigation on allowability of certain expenses in relation to the years for which assessment proceedings have not commenced. It is difficult to ascertain the financial effects from such future proceedings, if any, that will result in to its ultimate disposition. The Company assesses likely outcome based on internal assessment as well as considers views of external consultants representing the Company.

42 Acquisition And Amalgamation of Curatio Health Care (I) Private Limited

On 14th October, 2022, the Company acquired 100% shares in Curatio Health Care (I) Private Limited ('Curatio'), including its two subsidiaries for a consideration of ₹2,000 crores. Curatio has presence in the cosmetic dermatology segment with a portfolio of over 50 brands, marketed in India.

The Board of Directors of the Company, at its meeting held on 21st December, 2022, had approved the Scheme of Arrangement in the nature of Amalgamation of Curatio with the Company subject to requisite statutory and regulatory approvals. The scheme was approved by the National Company Law Tribunal ('NCLT'), Ahmedabad Bench vide its order dated 17th May, 2023 and certified copy of the said order was filed with Registrar of Companies on 25th May, 2023. The management has determined this as a subsequent adjusting event and hence, the financial statements for the year ended 31st March, 2023 reflect the financial information of Curatio from the date of its acquisition, i.e. 14th October, 2022.

Identifiable assets acquired and liabilities assumed

The Company has accounted for the transaction in accordance with Ind AS 103, "Business Combinations", and carrying value of assets and liabilities pertaining to Curatio as appearing in the consolidated financial statements of the Company as at appointed date (i.e. at fair values of identifiable assets acquired and liabilities assumed based on purchase price allocation as determined by independent valuer) has been recognised in the standalone financial statements of the Company.

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition

42 Acquisition And Amalgamation of Curatio Health Care (I) Private Limited (Continued)

(₹ in crores)

	As at 14th October, 2022
Property, plant and equipment	1.46
Intangible assets	
Brands/Trademarks	1,799.50
Non-compete fees	31.10
Computer Software	0.07
Other Financial Assets - Non-Current	0.17
Non current Tax assets	5.69
Deferred tax assets	5.01
Other non current assets	0.01
Current Assets	
Cash and Cash Equivalent	58.32
Other current assets	102.07
Total Assets	**2,003.40**
Non-current liabilities	11.69
Current liabilities	71.31
Total Liabilities	**83.00**
Net Asset Acquired	**1,920.40**

Goodwill arising from the acquisition has been recognised as follows

	(₹ in crores)
Purchase Consideration (paid in Cash)	2,000.00
Fair value of identified net assets of acquisition date	1,920.40
Goodwill (non-deductible for tax purpose)*	**79.60**

* Goodwill represents value of acquisition synergies.

Measurement of fair values

Fair value of identifiable intangible assets acquired has been determined by an independent valuer. Fair value of other assets, including receivables, has been considered same as the carrying value of these assets as of the acquisition date in the books of Curatio.

Revenues and Profit or Loss of Acquiree entity

The revenue of Curatio from 14th October, 2022 to 31st March, 2023 is ₹126.35 crores with Profit before tax of ₹36 crores.

Revenues and Profit or Loss of combined entity

Assuming the business combination had occurred from the beginning of reporting period i.e. 1st April, 2022, the combined revenue of the Company would be ₹7,834.79 crores with Profit before tax of ₹1,477.84 crores.

Notes forming part of the Standalone Financial Statements

43 Corporate Social Responsibility (CSR) Expenditure

(₹ in crores)

	Year ended 31st March, 2023	Year ended 31st March, 2022
(a) Gross amount required to be spent by the Company	26.14	22.65
(b) Amount approved by the Board to be spent during the year	26.20	23.00
(c) Amount spent during the year on		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above *	26.20	23.00
	26.20	**23.00**
(d) Shortfall at the end of the year	-	-
(e) Total of previous year shortfall	-	-
(f) Reason for shortfall	Not Applicable	Not Applicable
(g) Contribution to section 8 companies, which are related parties, included in (c) above, in relation to CSR expenditure*	24.96	20.93
(h) Nature of CSR activites: Community Healthcare, Sanitation & Hygine, Social Care and Concern, Education and Knowlegde Enhancement		

*Unspent amount as at 31st March, 2023 is ₹21.43 crores (31st March, 2022 ₹17.21 crores) has been transferred to special bank account specified under section 135 (6) of the Companies Act, 2013.

Gross amount required to be spent by Curatio (merged with the Company with effect from 14th October, 2022) was ₹0.68 crores for the year ended 31st March, 2023 and the same has been fully spent during the year. Further, actual spent on CSR activities for the period from 14th October, 2022 to 31st March, 2023 amounts to ₹0.53 crores which has been included in the Corporate social responsibility expenditure of the Company under other expenses in the standalone statement of profit and loss.

44 Relationship with Struckoff Companies

The Company has balances of ₹0.03 crores as of 31st March, 2023 (Previous year ₹0.03 crores) with respect to four companies, which are struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

45 Non-Current Assets Held for Sale

During the year, the company has disposed off its Land at Shilaj, Ahmedabad and recognised gain of ₹22.53 crores.

46 Registration of Charges

All the charges created or satisfied during the current year and previous year were registered with Registrar of Companies within statutory period.

47 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. The Company has not received any funds from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

48 Proposed Dividend

The Board of Directors in their meeting held on 30th May, 2023, recommended a final equity dividend of ₹8/- per equity share.

49 The financial statements for the year ended 31st March, 2023 were approved for issue by the Board of Directors on 30th May, 2023.

Notes forming part of the Standalone Financial Statements

50 Analyical Ratios for the Year Ended 31st March, 2023 and 31st March, 2022

Sr. No	Ratios	Year ended 31st March, 2023	Year ended 31st March, 2022	Variance
(a)	Current Ratio [1]: Current assets / Current liabilities	1.15	1.68	(31.2%)
(b)	Debt equity ratio [2]: Total debt / Net worth Total debt: Long term borrowings (incl. current maturities of long term borrowings) + Short tem borrowings Net worth: Equity share capital + Other equity	0.71	0.53	34%
(c)	Debt service coverage ratio: (Profit after tax + Deferred tax + Depreciation and amortisation + Interest on debt and lease) / (Interest on debt and lease + Principal repayments of long term debt including lease payment)	1.78	1.60	11.8%
(d)	Return on Equity Ratio: Net profit after taxes / Average shareholder's equity	0.16	0.16	2.5%
(e)	Inventory turnover: Net sales / Average Inventories	4.44	3.59	23.5%
(f)	Debtors turnover: Net sales / Average trade receivables	4.61	4.32	6.8%
(g)	Trade payables turnover: Net sales / Average trade payables	12.22	10.48	16.6%
(h)	Net capital turnover ratio [1]: Net Sales/Working Capital	14.57	4.07	257.8%
(i)	Net profit ratio: Net Profit/Net Sales	13.9%	14.9%	(6.3%)
(j)	Return on Capital employed: EBIT/Capital Employed	19.1%	18.3%	4.2%
(k)	Return on investment [3]: Income from mutual fund/Average investment	5.74%	3.60%	59.4%

[1] The variation in ratio as at 31st March, 2023 as compared to 31st March, 2022 is primarily due to increase in working capital borrowings.

[2] The variation in ratio as at 31st March, 2023 as compared to 31st March, 2022 is primarily due to increase in borrowings.

[3] Improvement in Return on investment ratio is due to higher return by debt mutual funds where the company parks surplus funds.

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Sadashiv Shetty
Partner
Membership No. 048648

Mumbai
30th May, 2023

Sudhir Menon
Executive Director (Finance) & Chief Financial Officer

For and on behalf of the Board of Directors

Samir Mehta
Executive Chairman
DIN: 00061903

Chintan Trivedi
Company Secretary

Mumbai
30th May, 2023

Independent Auditor's Report

To the Members of

Torrent Pharmaceuticals Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Torrent Pharmaceuticals Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31st March, 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (in which are included the financial statements of erstwhile Curatio Health Care (I) Private Limited (CHPL) as at 31st March, 2023 and for the period from 14th October, 2022 to 31st March, 2023, audited by other auditor, pursuant to the Scheme of Arrangement in the nature of Amalgamation of CHPL with the Holding Company which has been approved by the National Company Law Tribunal vide its order dated 17th May, 2023 with the appointed date of 14th October, 2022) (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors and the report of other auditor on separate financial statements of CHPL as were audited by the other auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2023, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the* Consolidated *Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matter" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report (Continued)

Impairment Testing of Goodwill

See Note 4.9.2, 8, 9 and 38 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group tests goodwill for impairment annually, or more frequently when there is an indication that the cash generating unit to which goodwill has been allocated may be impaired. We identified the annual impairment assessment of goodwill as a key audit matter because the assessment process is complex and judgemental by nature and is based on assumptions on: • projected future cash inflows; • expected growth rate and profitability; • discount rate; • perpetuity value based on long-term growth rate	Our audit procedures included the following: • Testing operating effectiveness of controls over determination of the recoverable amounts of cash generating units. Cash generating units for this purpose are those to which the goodwill is allocated; • Evaluating the model used in determining the recoverable value of the cash generating units; • Assessing the reasonableness of prior period cash flow forecasts of the Company by reference to actual performance to assess forecast accuracy; • Challenging the significant assumptions and judgements used in impairment analysis, such as forecast revenue, margins, long-term growth and discount rates in comparison to economic and industry forecasts with the assistance of our valuations specialist; • Performing sensitivity analysis of the key assumptions, such as future revenue growth rates, future gross margins, and the discount rate used in determining the recoverable value; • Evaluating the adequacy of disclosures, including disclosures of key assumptions, judgements and sensitivities.

Revenue Recognition

See Note 4.13 and 26 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group distributes its products in several geographies through commercial arrangement prevalent in those geographies. These arrangements involve granting of various considerations such as discounts, rebates, chargebacks, sales return and other allowances. As disclosed in Note 26 to the Consolidated Financial Statements, revenue is measured net of discounts, rebates, chargebacks, sales return and other similar allowances. One of the key estimate of the Group is recognition and measurement of accrual of these deductions. The estimation is dependent on various internal and external factors. These factors include, for example, the length of time when a sale is made and when the sales return takes place, arrangements with varying terms which are based on annual contracts or shorter-term arrangements, etc., some of which are beyond the control of the Company. In addition, the value and timing of discounts, rebates, chargebacks and other similar allowances for products vary from period to period, and the activity spans beyond the year end. Accuracy of revenues may deviate on account of change in judgements and estimates. Accordingly, the evaluation of accrual for discounts, rebates, chargebacks, sales returns and other similar allowances has been considered as a key audit matter.	Our audit procedures included following: • Assessing the Group's accounting policies for discounts, rebates, chargebacks, sales return and other allowances by comparing with applicable accounting standards. • Testing the design, implementation and operating effectiveness of key controls over the development of assumption of expected sales returns based on experience and computation of discounts, rebates, chargebacks and similar allowances and their accruals. • Testing samples relating to discounts, rebates, chargebacks, sales returns and other allowances recorded during the year and comparing to the actual payments made or credit notes generated towards these items. Further, performed procedures to test the accruals made for the year end on a test basis and compared with the relevant source documents. • Checking completeness and accuracy of the data used by the Company for accrual of discounts, rebates, chargebacks, sales return and other similar allowances and also checking the accrual for a selected sample of sales; • Comparing the assumptions to current trends of discounts, rebates, chargebacks, sales returns and other allowances. We have also examined the historical and current trends of the Group's estimates. The examination was to assess the assumptions and judgements used by the Group in accrual of discounts, rebates, chargebacks, sales return and other similar allowances.

Independent Auditor's Report (Continued)

Business combination - Purchase Price Allocation for acquisition of Curatio Health Care (I) Private Limited

See Note 4.3.1, 8 and 41 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
On 14th October, 2022, the Holding Company acquired 100% of the equity shares of Curatio Health Care (I) Private Limited ("Curatio") and its two wholly owned subsidiaries, Curatio Inc., Philippines and Curatio International Lanka (PVT) Ltd., Sri Lanka. The purchase price amounted to Rs 2,000 crores. Subsequently, the Holding Company filed a Scheme of Arrangement in the nature of Amalgamation ('Scheme') with the National Company Law Tribunal ('NCLT') for merger of Curatio with the Holding Company. The Scheme was approved by the NCLT on 17th May, 2023, with an appointed date of 14th October, 2022. The acquisition is accounted for in accordance with Ind AS *103 Business Combinations*. The assets, liabilities including the identifiable intangible assets acquired are stated at their fair values which are determined in the course of the purchase price allocation performed. The excess of acquisition cost over the identified fair value of recognised assets and liabilities is recognised as goodwill. This results in the net assets measured at fair value aggregating to ₹1,922.38 crores and goodwill of ₹77.62 crores. The purchase price allocation has been performed by an independent valuer and requires the management and the Board of Directors to make various estimates and assumptions. Due to the matter described, we considered the business combination and in particular the purchase price allocation as a key audit matter in our audit.	Our audit procedure included the following: • Reading the share purchase agreement, the approved scheme of merger and other related documents to obtain an understanding of the acquisition and the key terms and conditions; • Evaluating the design, implementation, and operating effectiveness of the relevant internal controls over accounting for business combination; • Evaluating the competence, capabilities, and objectivity of the independent valuer appointed by management. Along with our valuation specialist evaluated the reasonableness of methodology and key assumptions used by management and the independent valuer to measure the assets and liabilities at their fair values; • Considering the implication of the acquisition and its subsequent merger on recognition of deferred tax liabilities; • Assessing the adequacy and appropriateness of accounting and disclosures made in accordance with Ind AS 103 *Business Combinations*.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the financial statements and auditor's report(s) thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Independent Auditor's Report (Continued)

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each Company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

Independent Auditor's Report (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matter" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

a. We did not audit the financial statements of CHPL (component) included in the standalone financial statements of the Holding Company whose financial statements reflect total assets of ₹171.12 crores as at 31st March, 2023, total revenues of ₹126.35 crores and net cash outflows amounting to ₹50.61 crores for the period from 14th October, 2022 to 31st March, 2023, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the Management, and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of this component and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid component is based solely on the report of the other auditor.

   We did not audit the financial statements of 15 subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹3,246.19 crores as at 31st March, 2023, total revenues (before consolidation adjustments) of ₹2,657.73 crores and net cash inflows (before consolidation adjustments) amounting to ₹105.90 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 on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

   Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

   Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and CHPL, as were audited by other auditors, as noted in the "Other Matter" paragraph (a), we report, to the extent applicable, that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors of the Holding Company as on 20th April, 2023 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of CHPL incorporated in India, none of the directors of the Holding Company and CHPL incorporated in India is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and CHPL, which are incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

Independent Auditor's Report (Continued)

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 separate financial statements of the subsidiaries and CHPL, as noted in the "Other Matter" paragraph (a):

a. The consolidated financial statements disclose the impact of pending litigations as at 31st March, 2023 on the consolidated financial position of the Group. Refer Note 40 to the consolidated financial statements.

b. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 37 to the consolidated financial statements in respect of such items as it relates to the Group.

c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31st March, 2023.

d (i) The respective management of the Holding Company and CHPL incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of CHPL that, to the best of its knowledge and belief, as disclosed in the Note 45 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or CHPL to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or CHPL ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective management of the Holding Company and CHPL incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of CHPL that, to the best of its knowledge and belief, as disclosed in the Note 45 to the consolidated financial statements, no funds have been received by the Holding Company or CHPL from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or CHPL shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our or other auditor's notice that has caused us or the other auditor to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

Independent Auditor's Report (Continued)

e. The final dividend paid by the Holding Company during the year, in respect of the same declared for the Previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

The interim dividend declared and paid by the Holding Company during the year and until the date of this audit report is in compliance accordance with Section 123 of the Act.

As stated in Note 46 to the consolidated financial statements, the Board of Directors of the Holding Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company or CHPL only with effect from 1st April, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations the remuneration paid/payable during the current year by the Holding Company, to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid/payable to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No.: 048648
ICAI UDIN: 23048648BGWANO6720

Place: Mumbai
Date: 30th May, 2023

Annexure A to the Independent Auditor's Report on the Consolidated financial statements of Torrent Pharmaceuticals Limited for the year ended 31st March, 2023

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

(xxi) According to the information and explanations given to us and based on our examination, there are no companies included in the consolidated financial statements of the Holding Company which are companies incorporated in India except the Holding Company and CHPL. The Companies (Auditor's Report) Order, 2020 of the Holding Company and CHPL did not include any unfavourable or qualifications or adverse remarks.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No.: 048648
ICAI UDIN: 23048648BGWANO6720

Place: Mumbai
Date: 30th May, 2023

Annexure B to the Independent Auditor's Report on the Consolidated financial statements of Torrent Pharmaceuticals Limited for the year ended 31st March, 2023

Report on the internal financial controls with reference to the aforesaid Consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Torrent Pharmaceuticals Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31st March, 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company (in which are included internal financial controls with reference to financial statements of erstwhile Curatio Health Care (I) Private Limited (CHPL), a company incorporated in India under the Companies Act, 2013, pursuant to the Scheme of Arrangement in the nature of Amalgamation of CHPL with the Holding Company which has been approved by the National Company Law Tribunal vide its order dated 17th May, 2023 with the appointed date of 14th October, 2022), as of that date.

In our opinion and based on the consideration of report of the other auditor on internal financial controls with reference to financial statements of CHPL as were audited by the other auditor, the Holding Company and CHPL which was a Company incorporated in India, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March, 2023, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Annexure B to the Independent Auditor's Report on the Consolidated financial statements of Torrent Pharmaceuticals Limited for the year ended 31st March, 2023 (Continued)

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to CHPL (component), which was a company incorporated in India, is based on the corresponding report of the auditor of such component.

Our opinion is not modified in respect of this matter.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No.: 048648
ICAI UDIN: 23048648BGWANO6720

Place: Mumbai
Date: 30th May, 2023

Consolidated Balance Sheet

(₹ in crores)

	Notes	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	6	2,626.67	2,575.08
Capital work-in-progress	6	688.24	544.34
Right-of-use assets	7	144.93	127.51
Goodwill	8	337.50	259.48
Other intangible assets	9	5,012.35	3,460.58
Intangible assets under development	9	77.16	85.48
Financial assets			
Investments	10	42.70	42.33
Loans	11	2.50	1.75
Other financial assets	12	48.68	66.85
		93.88	**110.93**
Income tax assets (net)		135.80	122.21
Deferred tax assets (net)	22	543.67	493.65
Other non-current assets	13	22.47	25.93
Total non-current assets		**9,682.67**	**7,805.19**
Current assets			
Inventories	14	2,229.64	2,462.32
Financial assets			
Investments	10	156.09	183.98
Trade receivables	15	1,943.82	1,632.48
Cash and cash equivalents	16	508.53	398.40
Bank balances other than cash and cash equivalents	17	62.93	5.01
Loans	11	1.71	2.61
Other financial assets	12	108.41	167.98
		2,781.49	**2,390.46**
Other current assets	13	302.59	312.21
Total current assets		**5,313.72**	**5,164.99**
Non-current assets held for sale	44	15.46	129.66
TOTAL ASSETS		**15,011.85**	**13,099.84**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	169.23	84.62
Other equity	19	6,028.84	5,868.33
Total equity		**6,198.07**	**5,952.95**
Non-current liabilities			
Financial liabilities			
Borrowings	20	2,496.22	2,123.22
Lease liabilities		52.93	36.82
Other financial liabilities	24	20.87	5.04
		2,570.02	**2,165.08**
Provisions	21	393.06	368.74
Deferred tax liabilities (net)	22	401.94	193.56
Other non-current liabilities	25	1.46	4.42
Total non-current liabilities		**3,366.48**	**2,731.80**
Current liabilities			
Financial liabilities			
Borrowings	20	2,801.08	1,894.88
Lease liabilities		18.33	14.73
Trade payables	23		
Total outstanding dues of micro enterprises and small enterprises		17.96	20.36
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,660.84	1,654.08
		1,678.80	**1,674.44**
Other financial liabilities	24	420.98	279.27
		4,919.19	**3,863.32**
Provisions	21	393.71	411.03
Liabilities for current tax (net)		31.31	41.48
Other current liabilities	25	103.09	99.26
Total current liabilities		**5,447.30**	**4,415.09**
TOTAL EQUITY AND LIABILITIES		**15,011.85**	**13,099.84**
Notes forming part of the Consolidated Financial Statements	1-48		

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Sadashiv Shetty
Partner
Membership No. 048648

Mumbai
30th May, 2023

For and on behalf of the Board of Directors

Samir Mehta
Executive Chairman
DIN: 00061903

Sudhir Menon
Executive Director (Finance) & Chief Financial Officer

Chintan Trivedi
Company Secretary

Mumbai
30th May, 2023

Consolidated Statement of Profit and Loss

(₹ in crores)

	Notes	Year ended 31st March, 2023	Year ended 31st March, 2022
INCOME			
Revenue from operations	26	9,620.15	8,508.04
Other income	27	45.14	196.56
Total Income		**9,665.29**	**8,704.60**
EXPENSES			
Cost of materials consumed	28	1,480.42	1,537.50
Purchases of stock-in-trade		1,088.58	830.65
Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	166.19	73.86
Employee benefits expense	30	1,677.69	1,526.45
Finance costs	31	333.44	255.06
Depreciation, amortisation and impairment expense	32	706.59	662.16
Other expenses	33	2,365.22	2,108.31
Total Expenses		**7,818.13**	**6,993.99**
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		**1,847.16**	**1,710.61**
Exceptional items	38	-	484.70
PROFIT BEFORE TAX		**1,847.16**	**1,225.91**
TAX EXPENSE	22		
Current tax		354.77	346.22
Deferred tax charge		227.62	106.53
Short/ (Excess) provision for tax of earlier years		19.54	(4.02)
		601.93	**448.73**
PROFIT FOR THE YEAR		**1,245.23**	**777.18**
Other comprehensive income for the year, net of taxes			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement gains on defined benefit plans		8.92	9.08
Equity instruments through other comprehensive income		0.38	0.25
Income tax relating to items that will not be reclassified subsequently to profit or loss			
Re-measurement (losses)/ gains on defined benefit plans		(4.60)	0.84
Equity instruments through other comprehensive income		(0.13)	(0.09)
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation of financial statements of foreign operations		(70.63)	(0.70)
Effective portion on (losses)/ gains on hedging instruments in a cash flow hedge		(109.15)	3.30
Income tax relating to items that will be reclassified subsequently to profit or loss			
Effective portion on gains/ (losses) on hedging instruments in a cash flow hedge		38.14	(1.15)
		(137.07)	**11.53**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,108.16**	**788.71**
PROFIT FOR THE YEAR ATTRIBUTABLE TO			
Owners of the Company		1,245.23	777.18
Non-controlling interests		-	-
		1,245.23	**777.18**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO			
Owners of the Company		**1,108.16**	**788.71**
Non-controlling interests		-	-
		1,108.16	**788.71**
Earnings per share [Nominal value per equity share of ₹5]			
Basic and diluted	34	36.79	22.96
Notes forming part of the Consolidated Financial Statements	1 - 48		

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Sadashiv Shetty
Partner
Membership No. 048648

Mumbai
30th May, 2023

For and on behalf of the Board of Directors

Samir Mehta
Executive Chairman
DIN: 00061903

Sudhir Menon
Executive Director (Finance) & Chief Financial Officer

Chintan Trivedi
Company Secretary

Mumbai
30th May, 2023

Consolidated Statement of Changes in Equity

(A) Equity Share Capital

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the year	84.62	84.62
Changes during the year *	84.61	-
Balance at the end of the year	**169.23**	**84.62**

* Pursuant to approval given by its shareholders, the Company has during the year ended 31st March, 2023 issued 16,92,22,720 equity shares of ₹5/- each as fully paid-up bonus equity shares in the ratio of 1 (one) equity share for every 1 (one) existing equity share.

(B) Other Equity

(₹ in crores)

	Reserves and surplus					Other comprehensive income			Total
	Retained earnings	General reserve	Debenture redemption reserve	Capital reserve	Securities premium	Equity instruments through other comprehensive income	Effective portion of cash flow hedges	Foreign currency translation reserve	
Balance as at 1st April, 2022	2,916.68	2,857.25	142.86	5.56	4.34	0.17	43.35	(101.88)	5,868.33
Profit for the year	1,245.23	-	-	-	-	-	-	-	1,245.23
Other comprehensive income for the year (net of tax)	4.32	-	-	-	-	0.25	(71.01)	(70.63)	(137.07)
Bonus issued	-	(80.27)	-	-	(4.34)	-	-	-	(84.61)
Dividends*	(863.04)	-	-	-	-	-	-	-	(863.04)
Transfer from debenture redemption reserve	-	35.72	(35.72)	-	-	-	-	-	-
Balance as at 31st March, 2023	**3,303.19**	**2,812.70**	**107.14**	**5.56**	**-**	**0.42**	**(27.66)**	**(172.51)**	**6,028.84**
Balance as at 1st April, 2021	2,806.47	2,784.04	216.07	5.56	4.34	0.01	41.20	(105.14)	5,752.55
Profit for the year	777.18	-	-	-	-	-	-	-	777.18
Other comprehensive income for the year (net of tax)	9.92	-	-	-	-	0.16	2.15	(0.70)	11.53
Dividends**	(676.89)	-	-	-	-	-	-	-	(676.89)
Reclassified to statement of profit and loss on deconsolidation of subsidiary	-	-	-	-	-	-	-	3.96	3.96
Transfer from debenture redemption reserve	-	73.21	(73.21)	-	-	-	-	-	-
Balance as at 31st March, 2022	**2,916.68**	**2,857.25**	**142.86**	**5.56**	**4.34**	**0.17**	**43.35**	**(101.88)**	**5,868.33**

* Dividends include 2021-22 final dividend of ₹23 per share (including special dividend of ₹15 per share) and 2022-23 interim dividend of ₹14 per share.

**Dividends include 2020-21 final dividend of ₹15 per share and 2021-22 interim dividend of ₹25 per share.

Consolidated Statement of Changes in Equity (Continued)

Nature and purpose of reserves:

(a) Retained earnings: Retained earnings are the profits earned till date, less any transfers to other reserves and dividends distributed.

(b) General reserve: The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

(c) Debenture redemption reserve: The reserve represents amount required to be set aside out of profits in accordance with Companies Act, 2013 upto 16th August, 2019.

(d) Capital reserve: Capital reserve represents profit or loss on cancellation of own forfeited equity instruments and excess of fair value of net assets acquired over the consideration transferred.

(e) Securities premium: Securities premium comprises of the premium on issue of shares. The reserve can be utilised in accordance with the specific provision of the Companies Act, 2013.

(f) Equity instruments through other comprehensive income: This represents the cumulative gains and losses arising on revaluation of equity instruments measured at fair value through other comprehensive income.

(g) Effective portion of cash flow hedges: This represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of effective portion of cash flow hedges will be reclassified to statement of profit and loss only when the hedged items affect the statement of profit and loss.

(h) Foreign currency translation reserve: This reserve represents exchange differences arising on account of conversion of foreign operations to parent company's functional currency.

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Sadashiv Shetty
Partner
Membership No. 048648

Mumbai
30th May, 2023

For and on behalf of the Board of Directors

Samir Mehta
Executive Chairman
DIN: 00061903

Sudhir Menon
Executive Director (Finance) & Chief Financial Officer

Chintan Trivedi
Company Secretary

Mumbai
30th May, 2023

Consolidated Statement of Cash Flows

(₹ in crores)

		Notes	Year ended 31st March, 2023	Year ended 31st March, 2022
A	**CASH FLOWS FROM OPERATING ACTIVITIES**			
	Profit before tax		1,847.16	1,225.91
	Adjustments for:			
	Depreciation, amortisation and impairment expense		706.59	662.16
	Allowance for expected credit loss (net)		2.27	0.90
	Exceptional items (Impairment of Liquid facility)	38	-	484.70
	Unrealised foreign exchange gain (net)		(49.15)	(36.40)
	(Profit)/Loss on sale/discard/write-off of property, plant and equipments		(21.62)	0.82
	Net gain on sale of investments		(19.51)	(10.14)
	Finance costs		333.44	255.06
	Interest income		(14.78)	(7.15)
			2,784.40	**2,575.86**
	Adjustments for changes in working capital:			
	Trade receivables		(289.72)	(109.11)
	Loans and other assets		(19.28)	(3.95)
	Inventories		255.71	218.88
	Trade payables		(58.02)	(392.37)
	Liabilities and provisions		93.11	(65.30)
	CASH GENERATED FROM OPERATIONS		**2,766.20**	**2,224.01**
	Income taxes paid (net of refunds)		(398.07)	(421.02)
	NET CASH FROM OPERATING ACTIVITIES		**2,368.13**	**1,802.99**
B	**CASH FLOWS FROM INVESTING ACTIVITIES**			
	Acquisition of subsidiaries	41	(2,000.00)	-
	Purchase of property, plant and equipments and intangible assets (including payment towards capital work-in-progress and capital advances paid)		(573.94)	(202.57)
	Proceeds from sale of property, plant and equipment and intangible assets (including assets held for sale)		158.71	6.79
	Redemptions of/ (Investments in) mutual funds (net)		47.40	(34.79)
	Fixed deposits matured (net)		(60.38)	26.70
	Interest received		12.90	7.24
	NET CASH USED IN INVESTING ACTIVITIES		**(2,415.31)**	**(196.63)**
C	**CASH FLOWS FROM FINANCING ACTIVITIES**			
	Proceeds from long-term borrowings		1,395.00	-
	Repayment of long-term borrowings		(971.84)	(1,032.98)
	Proceeds from Short-term borrowings (net)		842.03	218.64
	Repayment of lease obligations		(21.77)	(32.10)
	Dividend paid		(863.04)	(676.89)
	Finance costs paid		(303.02)	(257.72)
	NET CASH FROM/ (USED IN) FINANCING ACTIVITIES		**77.36**	**(1,781.05)**
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**30.18**	**(174.69)**
	Effect of exchange rate changes on foreign currency cash and cash equivalents		21.12	0.53
	Amount transferred consequent to Amalgamation	41	58.83	-
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR		**398.40**	**572.56**
	CASH AND CASH EQUIVALENTS AT THE END OF YEAR (Refer note 16)		**508.53**	**398.40**

Notes:

(1) The Group considers investing in liquid mutual fund as an important part of its cash management activities. In accordance with Ind AS 7, the same is presented as cash flows from investing activities. As at 31st March, 2023, investment amount is ₹156.06 crores (As at 31st March, 2022: ₹183.96 crores).

Consolidated Statement of Cash Flows (Continued)

(₹ in crores)

	Year ended 31st March, 2023	Year ended 31st March, 2022
(2) Changes in liabilities arising from financing activities:		
Long-term borrowings including current maturities of long-term debt (Refer note 20):		
Opening balance	3,095.06	4,121.06
Amount borrowed during the year	1,395.00	-
Amount repaid during the year	(971.84)	(1,032.98)
Amortised cost adjustment	1.20	2.37
Foreign exchange difference	12.82	4.61
Closing balance	**3,532.24**	**3,095.06**
Lease liabilities (Non-Current and Current liabilities):		
Opening balance	51.55	48.67
Addition through business combinations	0.25	-
New lease contracts entered during the year	35.80	29.91
Interest accrued during the year	3.13	2.99
Amount paid during the year	(21.77)	(32.10)
Remeasurement of lease liability	(0.36)	-
Foreign exchange difference	2.66	2.08
Closing balance	**71.26**	**51.55**
Short-term borrowings (Refer note 20):		
Opening balance	923.04	704.40
Amount borrowed/(repaid) during the year (net)	797.80	205.07
Foreign exchange difference	44.23	13.57
Closing balance	**1,765.07**	**923.04**

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Sadashiv Shetty
Partner
Membership No. 048648

Mumbai
30th May, 2023

For and on behalf of the Board of Directors

Samir Mehta
Executive Chairman
DIN: 00061903

Sudhir Menon
Executive Director (Finance) & Chief Financial Officer

Chintan Trivedi
Company Secretary

Mumbai
30th May, 2023

Notes forming part of the Consolidated Financial Statements

1 Group Information

Torrent Pharmaceuticals Limited, the Parent Company ("the Company") is a public limited company incorporated and domiciled in India. The address of its registered office is Torrent House, Off Ashram Road, Ahmedabad – 380 009, Gujarat, India. The Company is one of the leading Indian Pharmaceutical Company engaged in research, development, manufacturing and marketing of generic pharmaceutical formulations. The Company's research and development facility is located in the state of Gujarat, India and manufacturing facilities are located in the states of Gujarat, Himachal Pradesh, Madhya Pradesh, Andhra Pradesh and Sikkim in India.

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

Entity	Country of Incorporation
Subsidiaries [having 100% proportion of ownership interest and voting rights]	
Zao Torrent Pharma	Russia
Torrent Do Brasil Ltda.	Brazil
Torrent Pharma Gmbh (TPG)	Germany
Torrent Pharma Inc.	USA
Torrent Pharma Philippines Inc.	Philippines
Laboratories Torrent, S.A. de C.V.	Mexico
Torrent Australasia Pty. Ltd.	Australia
Torrent Pharma (Thailand) Co., Ltd.	Thailand
TPL (Malta) Limited	Malta
Torrent Pharma (UK) Ltd.	United Kingdom
Laboratorios Torrent (Malaysia) SDN.BHD.	Malaysia
Curatio Inc, Philippines	Philippines
Curatio International Lanka (PVT) Ltd.	Sri Lanka
Step-down subsidiary of TPL (Malta) Ltd. [having 100% proportion of ownership interest and voting rights]	
Torrent Pharma (Malta) Limited	Malta
Step-down subsidiaries of TPG [having 100% proportion of ownership interest and voting rights]	
Heumann Pharma Gmbh & Co. Generica KG	Germany
Heunet Pharma Gmbh	Germany

2 Statement of Compliance

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time and other relevant provisions of the Act.

3 Basis of preparation of consolidated financial statements

3.1 Basis of preparation and presentation

The consolidated financial statements have been prepared and presented under the historical cost convention on an accrual basis of accounting except for the following material items which have been measured at fair value.

- Derivative financial instruments
- Investments in mutual funds, equity instruments and LLP

Notes forming part of the Consolidated Financial Statements

3.1 Basis of preparation and presentation (continued)

- Defined benefit plan – plan assets measured at fair value
- Contingent consideration in business combination

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if the market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value measurement and/or disclosure purposes in the consolidated financial statements is determined on such a basis except for leasing transactions that are within the scope of Ind AS 116 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 Inventories or value in use in Ind AS 36 Impairment of asset.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

All assets and liabilities have been classified as current or non-current as set out in the Schedule III (Division II) to the Companies Act, 2013.

3.2 Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees, which is the functional currency of the Parent Company. All the amounts are stated in the nearest rupee crores.

3.3 Use of estimates

The preparation of consolidated financial statements are in conformity with the recognition and measurement principles of Ind AS which requires management to make critical judgements, estimates and assumptions that affect the reporting of assets, liabilities, income and expenditure. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and any revisions to the estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of financial statements, which may cause material adjustment to the carrying amount of assets and liabilities within the next financial year, is in respect of:

- Useful lives of property, plant and equipment (refer note 4.2)
- Valuation of assets acquired as part of business combination and contingent consideration (refer note 4.3.1)
- Useful lives of intangible assets (refer note 4.4)
- Valuation of inventories (refer note 4.8)
- Impairment of intangible assets and goodwill (refer note 4.9.2)
- Employee benefits (refer note no. 4.10)
- Provisions and contingent liabilities (refer note 4.12)
- Sales returns, rebates, chargeback and medicaid (refer note 4.13)
- Valuation of deferred tax assets (refer note 4.14)

Notes forming part of the Consolidated Financial Statements

4 Significant Accounting Policies

4.1 Basis of consolidation

The Company consolidates all entities which it controls. Control is established when the Company has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has ability to affect the entity's returns by using its power over the entity.

Subsidiaries are consolidated from the date control commences and until the date control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

4.2 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and any accumulated impairment losses. The cost of fixed assets comprises of its purchase price, non-refundable taxes and levies, freight and other incidental expenses related to the acquisition and installation of the respective assets. Borrowing cost attributable to financing of acquisition or construction of the qualifying fixed assets is capitalised to respective assets when the time taken to put the assets to use is substantial.

When major items of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. The cost of replacement of any property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefit associated with the item will flow to the Group and its cost can be measured reliably.

Capital work in progress are those which are not ready for intended use are carried at cost less impairment loss, if any.

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 the project costs and are capitalized. Such expenses are capitalized only if the project to which they relate, involve substantial expansion of capacity or upgradation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from its use. Difference between the sales proceeds and the carrying amount of the asset is recognised in the statement of profit and loss.

Freehold land is carried at historical cost and not depreciated. Depreciation on property, plant and equipments is provided using straight-line method based on useful life of the assets estimated by the management. The estimated useful lives, residual values and depreciation method are reviewed at each financial year-end and changes in estimates, if any are accounted for on a prospective basis.

The estimated useful lives of property, plant and equipments are as under:

Type of property, plant and equipment	Useful life
Office buildings*	58 years
Factory buildings*	28 years
Plant and equipments*	10 to 20 years
Laboratory equipments*	5 to 20 years
Electrical equipments*	5 to 20 years
Furniture and fixtures*	3 to 10 years

Notes forming part of the Consolidated Financial Statements

4.2 Property, plant and equipment (continued)

Type of property, plant and equipment	Useful life
Office equipments*	10 years
Wind power plant*	25 years
Solar power plant*	30 years
Computer equipments*	2 to 5 years
Vehicles*	5 to 10 years

* For these classes of assets, the useful life of assets is different than the prescribed life as per Part C of Schedule II of the Companies Act, 2013. The different useful life is based on internal technical evaluation by the Group and historical usage of assets.

4.3 Business combinations and goodwill

4.3.1 Business combinations

Business Combinations are accounted for using the acquisition method of accounting. Transaction costs incurred in connection with business combination are expensed in the statement of profit and loss. The identifiable assets and liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

In case of bargain purchase where the fair value of identifiable assets and liabilities exceed the cost of acquisition, the excess is recognised in other comprehensive income on the acquisition date and accumulate the same in equity as capital reserve after reassessing the fair values of the net identifiable assets and contingent liabilities.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise subsequent changes in the fair value of the contingent consideration are recognised in the statement of profit and loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

Business combinations arising from transfers of interests in entities that are under the common control are accounted for using the pooling of interests method. The assets and liabilities of the combining entities are reflected at their carrying amounts and no adjustments are made to reflect their fair values or recognise any new assets or liabilities. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in capital reserve and presented separately from other capital reserves with disclosure of its nature and purpose. The financial statement of prior period is restated as if the business combination had occurred from the beginning of the preceding period, irrespective of the actual date of combination.

4.3.2 Goodwill

Goodwill represents the excess of the consideration paid to acquire a business over underlying fair value of the identified assets acquired. Goodwill is carried at cost less accumulated impairment losses, if any. Goodwill is deemed to have an indefinite useful life and is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

4.3.2 Goodwill (continued)

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (CGUs) that is expected to benefit from the synergies of the combination. Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

4.4 Intangible assets

Intangible assets acquired separately are measured at cost of acquisition. Intangible assets acquired under business combination are measured at fair value as of the date of business combination. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment losses, if any.

Acquired research and development intangible assets that are under development are recognised as intangible assets under development. These assets are not amortised but evaluated for potential impairment on an annual basis or when there are indications that the carrying value may not be recoverable. Any impairment is recognised as an expense in the statement of profit and loss.

Intangible assets are amortised over their respective estimated useful life using straight-line method. The estimated useful life of amortisable intangibles is reviewed at the end of each reporting period and change in estimates if any are accounted for on a prospective basis.

The estimated useful lives of intangibles are as mentioned below:

Type of intangible asset	Useful life
Softwares	3 to 5 years
Product licenses	Upto 15 years
Brands	Upto 15 years
Non-compete fees	Upto 5 years
Drug master files	10 years

4.5 Foreign currency transaction, translation and foreign operations

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. The net gain or loss on account of exchange differences arising on settlement of foreign currency transactions are recognised as income or expense of the period in which they arise. Monetary assets and liabilities denominated in foreign currency as at the balance sheet date are translated at the closing rate. The resultant exchange rate differences are recognised in the statement of profit and loss. Non-monetary assets and liabilities are carried at the rates prevailing on the date of transaction.

Foreign operations

Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the balance sheet date. Statement of profit and loss has been translated using weighted average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity.

4.6 Financial instruments

4.6.1 Financial assets

(a) Classification of financial assets:

The Group classifies its financial assets in the following measurement categories:

Notes forming part of the Consolidated Financial Statements

4.6.1 Financial assets (continued)

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss) and
- those measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

(b) Initial measurement:

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

(c) Subsequent measurement:

- **Amortised Cost**

  Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Fair value through other comprehensive income (FVOCI)**

  Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains and losses and impairment expenses in other expenses.

- **Fair value through profit or loss (FVTPL)**

  Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/ (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

(d) Derecognition of financial assets:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset

When the Group has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Notes forming part of the Consolidated Financial Statements

4.6.1 Financial assets (continued)

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of financial asset, the financial asset is derecognised if the Group has not retained control over the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(e) Income recognition:

Dividend is accounted when the right to receive payment is established. Interest income from financial assets is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

(f) Cash and cash equivalents:

Cash and cash equivalents consists of cash on hand, short demand deposits and highly liquid investments, that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value. Short-term means investments with original maturities/ holding period of three months or less from the date of investments. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalent for the purpose of statement of cash flow.

(g) Investments:

Investments in mutual funds are primarily held for the Group's temporary cash requirements and can be readily convertible in cash. These investments are initially recorded at fair value and classified as fair value through profit or loss.

The Group has made an irrevocable election to present subsequent changes in the fair value of equity investments, not held for trading, in other comprehensive income.

(h) Trade receivables:

Trade receivables are amounts due from customers for sale of goods or services performed in the ordinary course of business. Trade receivables are initially recognised at its transaction price which is considered to be its fair value and are classified as current assets as it is expected to be received within the normal operating cycle of the business.

4.6.2 Financial liabilities

The Group's financial liabilities include trade payables, loans and borrowing and derivative financial instruments.

(a) Classification:

All the Group's financial liabilities, except for financial liabilities at fair value through profit or loss, are measured at amortized cost.

(b) Initial measurement:

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(c) Subsequent measurement:

Financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate Method. The Effective Interest Rate Method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Notes forming part of the Consolidated Financial Statements

4.6.2 Financial liabilities (continued)

(d) Derecognition of financial liabilities:

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or waived off or have expired. An exchange between the Group and the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(e) Borrowings:

Borrowings are initially recorded at fair value and subsequently measured at amortized costs using effective interest rate method. Transaction costs are charged to statement of profit and loss as financial expenses over the term of borrowing.

(f) Trade payables:

Trade payables are amounts due to vendors for purchase of goods or services acquired in the ordinary course of business and are classified as current liabilities to the extent it is expected to be paid within the normal operating cycle of the business.

4.6.3 Derivative financial instruments and hedge accounting

The Group enters into derivative financial instruments to manage its foreign exchange rate risk. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of profit and loss depends on the nature of the hedging relationship and nature of hedged items.

Derivative financial instruments that hedges foreign currency risk associated with highly probable forecasted transactions are designated as cash flow hedges and measured at fair value. The effective portion of such hedges is recorded in cash flow hedge reserve, as a component of equity, and re-classified to the statement of profit and loss in the period corresponding to the occurrence of the forecasted transactions. The ineffective portion of such hedges is recorded in the statement of profit and loss immediately.

Hedge effectiveness is tested both at the inception of the hedge relationship as well as on an ongoing basis. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised or no longer qualifies for hedge accounting.

4.7 Leases – Group as lessee

At inception of a contract, the Group assesses whether a contract is or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified assets for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset the Group assesses whether contract involves the use of an identified asset, the Group has a right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use and the Group has the right to direct the use of the asset.

At the inception date, right-of-use asset is recognised at cost which includes present value of lease payments adjusted for any payments made on or before the commencement of lease and initial direct cost, if any. It is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. Right-of-use asset is depreciated using the straight-line method from the commencement date over the earlier of useful life of the asset or the lease term. When the Group has purchase option available under lease and cost of right-of-use assets reflects that purchase option will be exercised, right-of-use asset is depreciated over the useful life of underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

Notes forming part of the Consolidated Financial Statements

4.7 Leases – Group as lessee (continued)

At the inception date, lease liability is recognised at present value of lease payments that are not made at the commencement of lease. Lease liability is subsequently measured by adjusting carrying amount to reflect interest, lease payments and remeasurement, if any.

Lease payments are discounted using the incremental borrowing rate or interest rate implicit in the lease, if the rate can be determined.

The Group has elected not to apply requirements of Ind AS 116 to leases that has a term of 12 months or less and leases for which the underlying asset is of low value. Lease payments of such lease are recognised as an expense on straight line basis over the lease term.

4.8 Inventories

Inventories are carried at the lower of cost and net realisable value.

The cost incurred in bringing the inventory to their existing location and conditions are determined as follows:

a. Raw material and packing material - Purchase cost of materials on a moving average basis.

b. Finished goods (manufactured) and work in progress - Cost of purchase, conversion cost and other costs on a weighted average cost method.

c. Finished goods (traded) - Purchase cost on a moving average basis.

The cost of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recovered by the Group from tax authorities), and transport, handling and other costs directly attributable to bringing the inventory to their existing location and conditions. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sales.

The Group considers various factors like shelf life, ageing of inventory, product discontinuation, price changes and any other factor which impact the Group's business in determining the allowance for obsolete, non-saleable and slow moving inventories. The Group considers the above factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

4.9 Impairment of assets

4.9.1 Financial assets

At each balance sheet date, the Group assesses whether a financial asset is to be impaired. Ind AS 109 requires the Group to apply expected credit loss model for recognition and measurement of impairment loss. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The impairment loss is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

4.9.2 Non-financial assets

Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis

4.9.2 Non-financial assets (continued)

unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss to such extent. When an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, such that the increase in the carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit and loss.

Goodwill

CGUs to which goodwill has been allocated are tested for impairment annually or more frequently when there is indication for impairment. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Determination of recoverable amount of CGU requires the management to estimate the future cash flows expected to arise and a suitable discount rate in order to calculate the present value. An impairment loss recognised for goodwill is not reversed in subsequent periods.

4.10 Employee benefits

4.10.1 Short-term employee benefits

Short-term benefits payable before twelve months after the end of the reporting period in which the employees have rendered service are accounted as expense in statement of profit and loss.

4.10.2 Long-term employment benefits

Defined contribution plans:

Contributions to defined contribution plans (provident fund, superannuation and other social security schemes) are recognised as expense when employees have rendered services entitling them to such benefits.

Defined benefit plans:

The Group's net obligation in respect of defined benefit plans (gratuity, pension and other retirement benefit plans) is calculated using the projected unit credit method and the same is carried out by qualified actuary. The current service cost and interest on the net defined benefit liability/(asset) is recognised in the statement of profit and loss. Past service cost are immediately recognised in the statement of profit and loss. Actuarial gains and losses net of deferred taxes arising from experience adjustment and changes in actuarial assumptions are recognised in other comprehensive income in the period in which they arise.

Termination benefits:

Termination benefits are recognised as an expense when the Group is committed without any possibility of withdrawal of an offer made to either terminate employment before the normal retirement date or as a result of an offer made to encourage voluntary retirement.

Compensated absences and earned leaves:

The Group's current policy permits eligible employees to accumulate compensated absences up to a prescribed limit and receive cash in lieu thereof in accordance with the terms of the policy. The Group measures the expected cost of accumulating compensated absences as the additional amount that the Group expects to pay as a result of unused entitlement that has accumulated as at the reporting date. The expected cost of these benefits is calculated using the projected unit credit method by qualified actuary every year. Actuarial gains and losses arising from experience adjustment and changes in actuarial assumptions are recognised in the statement of profit and loss in the period in

Notes forming part of the Consolidated Financial Statements

4.10.2 Long-term employment benefits (continued)

which they arise. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

4.11 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions for receiving such grant have been and will be fulfilled.

Government grants related to asset are recognised as deferred income and charged to statement of profit and loss on a systematic basis over expected useful life of the related asset.

Government grants are recognised in statement of profit and loss on a systematic basis over the period in which Group recognizes as expenses the related costs for which the grants are intended to compensate. Government grants that are receivable as compensation for expenses already incurred are recognised in statement of profit and loss in the period in which they become receivable.

When loans received from the government or related institutions with below-market interest rate, the benefit of below-market interest rate is treated as government grant measured as the difference between the proceeds received and the fair value of loan based on prevailing market interest rate.

4.12 Provisions, contingent liabilities and contingent assets

Contingent liability:

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

Contingent assets:

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are not recognised and disclosed only when an inflow of economic benefits is probable.

Provisions:

A provision is recognised when as a result of a past event, the Group has a present obligation whether legal or constructive that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. If the obligation is expected to be settled more than 12 months after the end of reporting date or has no definite settlement date, the provision is recorded as non-current liabilities after giving effect for time value of money, if material. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

4.13 Revenue recognition

Revenue is measured based on the transaction price adjusted for chargeback, discounts and rebates, which is specified in a contract with customer. Revenue are net of estimated returns, medicaid payments and taxes collected from customers.

Revenue from sale of goods is recognised at point in time when control is transferred to the customer and it is probable that consideration will be collected. Control of goods is transferred upon the shipment of the goods to the customer or when goods is made available to the customer.

The transaction price is documented on the sales invoice and payment is generally due as per agreed credit terms with customer.

Notes forming part of the Consolidated Financial Statements

4.13 Revenue recognition (continued)

The consideration can be fixed or variable. Variable consideration is only recognised when it is highly probable that a significant reversal will not occur.

A chargeback is a claim made by the wholesaler for the difference between the price at which the product is initially invoiced to the wholesaler and the net price at which it is agreed to be procured from the Company. Chargeback, rebates, returns and medicaid payments are variable consideration that is recognised and recorded based on 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.

Export entitlements are recognised 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.

4.14 Income taxes

Income tax expense comprises current and deferred tax expense. Income tax expenses are recognised in statement of profit and loss, except when they relate to items recognised in other comprehensive income or directly in equity, in which case, income tax expenses are also recognised in other comprehensive income or directly in equity respectively.

Current tax is the tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted by the end of reporting period by the governing taxation laws, and any adjustment to tax payable in respect of previous periods. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred taxes arising from deductible and taxable temporary differences between the tax base of assets and liabilities and their carrying amount in the financial statements are recognised using substantively enacted tax rates and laws expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. The deferred tax arising from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction are not recognised.

Deferred tax asset are recognised only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilised.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to do the same.

For units which enjoy tax holiday benefit, deferred tax assets and liabilities have been provided for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Any deferred tax asset or liability arising from deductible or taxable temporary differences in respect of unrealised inter-company profit or loss on inventories held by the Group in different tax jurisdictions is recognised using the tax rate of jurisdiction in which such inventories are held.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the assets can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Notes forming part of the Consolidated Financial Statements

4.15 Earnings per share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4.16 Research and development

Revenue expenditure on research and development activities is recognised as expense in the separate heads of the statement of profit and loss in the period in which it is incurred.

Expenditure on in-licensed development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised, if the cost can be reliably measured, the product or process is technically and commercially feasible and the Group has sufficient resources to complete the development and to use and sell the asset. Payments to third parties that generally take the form of up-front payments and milestones for in-licensed products, compounds and intellectual property are capitalised when the probability of expected future economic benefits criterion is considered to be satisfied.

4.17 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of these assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

4.18 GST input credit

Goods and service tax (GST) input credit is accounted on an accrual basis on purchase of eligible inputs, capital goods and services. The balance of GST input 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.

4.19 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Group is responsible for allocating resources and assessing performance of the operating segments.

4.20 Operating Cycle

Based on the nature of products/activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current as set out in Schedule III of the Act.

4.21 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets and disposal groups classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

Notes forming part of the Consolidated Financial Statements

5 Recent Accounting Pronouncements

Recent pronouncements Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31st March, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1st April, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Group does not expect this amendment to have any significant impact in its consolidated financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The group does not expect this amendment to have any significant impact in its consolidated financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its consolidated financial statements.

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Notes forming part of the Consolidated Financial Statements

6 Property, Plant and Equipment

(₹ in crores)

	Freehold land	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Electrical equipments	Total
Gross carrying amount as at 1st April, 2022	695.30	1,169.81	2,077.70	82.49	20.54	143.30	255.14	4,444.28
Additions during the year	1.73	79.41	151.16	2.77	5.50	21.35	13.36	275.28
Acquisition through business combinations	-	-	0.69	0.49	0.28	0.09	0.11	1.66
Deductions during the year	1.82	0.70	22.73	2.60	0.42	3.45	0.28	32.00
Non-current assets held for sale	35.51	124.43	149.41	0.49	-	5.28	24.22	339.34
Translation exchange difference	2.77	10.25	12.32	0.98	0.02	1.09	1.44	28.87
Gross carrying amount as at 31st March, 2023	**662.47**	**1,134.34**	**2,069.73**	**83.64**	**25.92**	**157.10**	**245.55**	**4,378.75**
Accumulated depreciation and impairment as at 1st April, 2022	18.48	358.54	1,193.91	52.87	7.94	104.04	133.42	1,869.20
Depreciation during the year	-	32.77	137.05	4.90	2.29	15.78	12.30	205.09
Deductions during the year	-	0.13	18.70	2.42	0.27	3.28	0.24	25.04
Non-current assets held for sale	20.04	124.43	149.41	0.49	-	5.28	24.23	323.88
Translation exchange difference	1.56	10.01	12.12	0.67	0.01	0.93	1.41	26.71
Accumulated depreciation as at 31st March, 2023	**-**	**276.76**	**1,174.97**	**55.53**	**9.97**	**112.19**	**122.66**	**1,752.08**
Net carrying amount as at 31st March, 2023	**662.47**	**857.58**	**894.76**	**28.11**	**15.95**	**44.91**	**122.89**	**2,626.67**
Capital work-in-progress (Net of impairment - Refer note 38)								
Carrying amount as at 1st April, 2022								544.34
Additions during the year								415.95
Deductions/Capitalised during the year								272.92
Translation exchange difference								0.87
Carrying amount as at 31st March, 2023								**688.24**
Total								**3,314.91**
Gross carrying amount as at 1st April, 2021	820.96	1,014.93	1,880.85	78.57	21.59	129.30	219.44	4,165.64
Additions during the year	-	153.84	212.49	4.00	0.69	19.69	33.28	423.99
Deductions during the year	-	-	18.93	0.40	1.74	6.59	0.37	28.03
Assets held for sale	126.65	-	-	-	-	-	-	126.65
Translation exchange difference	0.99	1.04	3.29	0.32	-	0.90	2.79	9.33
Gross carrying amount as at 31st March, 2022	**695.30**	**1,169.81**	**2,077.70**	**82.49**	**20.54**	**143.30**	**255.14**	**4,444.28**
Accumulated depreciation and impairment as at 1st April, 2021	-	215.87	946.46	47.50	6.96	93.48	97.58	1,407.85
Depreciation during the year	-	34.82	147.73	5.06	2.04	12.83	14.07	216.55
Deductions during the year	-	-	16.27	0.37	1.06	6.18	0.30	24.18
Impairment during the year (Refer Note 38)	18.57	108.17	114.56	0.42	-	3.34	21.01	266.07
Translation exchange difference	(0.09)	(0.32)	1.43	0.26	-	0.57	1.06	2.91
Accumulated depreciation and impairment as at 31st March, 2022	**18.48**	**358.54**	**1,193.91**	**52.87**	**7.94**	**104.04**	**133.42**	**1,869.20**
Net carrying amount as at 31st March, 2022	**676.82**	**811.27**	**883.79**	**29.62**	**12.60**	**39.26**	**121.72**	**2,575.08**

6 Property, Plant and Equipment (Continued)

(₹ in crores)

	Total
Capital work-in-progress (Net of impairment - Refer note 38)	
Carrying amount as at 1st April, 2021	743.89
Additions during the year	222.38
Deductions/Capitalised during the year	424.51
Translation exchange difference	2.58
Carrying amount as at 31st March, 2022	**544.34**
Total	**3,119.42**

(i) Certain property, plant and equipments hypothecated/mortgaged as security for borrowings as disclosed under note 20.

(ii) Capital work-in-progress includes expenditure of ₹42.60 crores (Previous year: ₹29.15 crores) incurred in the course of construction.

(iii) The amount of capital commitments is disclosed in note 40.

(iv) Pro-rata cost of assets owned jointly with Torrent Power Limited, a fellow subsidiary are as under:

(₹ in crores)

	Proportion of holding	As at 31st March, 2023	As at 31st March, 2022
Freehold Land	50%	23.79	23.79
Freehold Land	30%	35.69	35.69
Building	30%	0.65	0.65
Total		**60.13**	**60.13**

(v) Ageing Schedule of Capital work in Progress :

(₹ in crores)

As at 31st March, 2023	Amount in Capital work-in-progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress*	129.70	101.36	50.76	276.91	558.73
Others	75.11	15.30	8.25	30.85	129.51
Total	**204.81**	**116.66**	**59.01**	**307.76**	**688.24**

(₹ in crores)

As at 31st March, 2022	Amount in Capital work-in-progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress*	100.51	50.76	83.42	193.51	428.20
Others	49.16	22.62	10.10	34.26	116.14
Total	**149.67**	**73.38**	**93.52**	**227.77**	**544.34**

* In case of Oncology facility, since the project completion date is linked to approval of the facility by relevant regulatory authorities, the same is classified as Project in Progress and shall be capitalized only after said approval/s are received.

(vi) For capital-work-in progress, there is no project whose completion is overdue or has exceeded its cost compared to its original plan.

Notes forming part of the Consolidated Financial Statements

7 Right-of-Use Assets

(₹ in crores)

	Land	Buildings	Vehicles	Total
Gross carrying amount as at 1st April, 2022	96.54	69.45	11.96	177.95
Additions during the year	-	29.85	5.95	35.80
Acquisition through business combinations (Refer Note 41)	-	0.24	-	0.24
Deductions/ Adjustments during the year	-	4.75	1.21	5.96
Translation exchange difference	0.82	3.09	1.30	5.21
Gross carrying amount as at 31st March, 2023	**97.36**	**97.88**	**18.00**	**213.24**
Accumulated amortisation as at 1st April, 2022	5.77	36.23	8.44	50.44
Amortisation during the year	2.23	15.95	2.50	20.68
Deductions during the year	-	4.41	1.19	5.60
Translation exchange difference	0.02	2.18	0.59	2.79
Accumulated amortisation as at 31st March, 2023	**8.02**	**49.95**	**10.34**	**68.31**
Net carrying amount as at 31st March, 2023	**89.34**	**47.93**	**7.66**	**144.93**
Gross carrying amount as at 1st April, 2021	82.49	55.74	48.27	186.50
Additions during the year	14.05	15.35	0.51	29.91
Deductions/ Adjustments during the year	-	5.58	37.00	42.58
Translation exchange difference	-	3.94	0.18	4.12
Gross carrying amount as at 31st March, 2022	**96.54**	**69.45**	**11.96**	**177.95**
Accumulated amortisation as at 1st April, 2021	3.77	24.67	32.51	60.95
Amortisation during the year	2.00	15.05	12.70	29.75
Deductions during the year	-	5.70	36.89	42.59
Translation exchange difference	-	2.21	0.12	2.33
Accumulated amortisation as at 31st March, 2022	**5.77**	**36.23**	**8.44**	**50.44**
Net carrying amount as at 31st March, 2022	**90.77**	**33.22**	**3.52**	**127.51**

(i) Lease contracts entered by the Group majorly pertains for land, buildings and vehicles taken on lease to conduct its business in the ordinary course.

(ii) Lease expenses of ₹27.49 crores and ₹21.84 crores recognised in statement of profit and loss in other expenses for the year ended 31st March, 2023 and 31st March, 2022 respectively towards short-term leases, lease of low value assets and variable lease rental not included in measurement of lease liability.

(iii) Extension and termination options are included in some of the lease contracts. These are used to maximise operational flexibility in terms of managing assets used in Group's operations.

(iv) Lease obligations, interest expense on lease, maturity profile of lease obligation and payment of lease obligations are disclosed respectively in Balance Sheet, Finance costs (refer note 31), Liquidity risk (refer note 37) and Statement of Cash Flows.

Notes forming part of the Consolidated Financial Statements

8 Goodwill

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
Balance at beginning of year	259.48	341.23
Add: Goodwill arising on business combinations during the year	77.62	-
Add: Goodwill arising on account of recognition of deferred tax liability in business combination (Refer Note 41)	458.52	-
Less: Reversal of goodwill on account of reversal of deferred tax liability (Refer Note 38)	(458.52)	-
Less: Impairment during the year (Refer Note 38)	-	(84.50)
Add: Translation exchange difference	0.40	2.75
Balance at end of year	**337.50**	**259.48**

The Group tests goodwill for impairment annually or based on an indicator. The Group provides for impairment if the carrying amount of goodwill exceeds its recoverable amount. The recoverable amount is determined based on "value in use" calculations which is calculated as the net present value of forecasted cash flows of cash generating unit (CGU) to which the goodwill is related.

Key assumptions for CGUs with significant amount of goodwill are as follows:

a) Projected cash flows for five years based on financial budgets/forecasts. The perpetuity value is taken based on the long-term growth rate depending on macro economic growth factors.

b) Discount rate applied to projected cash flow is 13.40% to 15.60%.

Acquired brands and assets of liquid facility are considered as CGU for testing of impairment of goodwill generated on such acquisition (Refer Note 38).

The Group believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CGU.

9 Other Intangible Assets

(₹ in crores)

	Acquired intangible assets					
	Computer softwares	Product licenses	Brands	Non-compete fees	Drug master files	Total
Gross carrying amount as at 1st April, 2022	155.26	300.86	5,266.80	98.53	25.03	5,846.48
Additions during the year	23.52	25.22	145.00	-	-	193.74
Acquisition through business combinations (Refer Note 41)	0.07	-	1,799.50	31.10	-	1,830.67
Deductions during the year	3.37	0.63	-	-	-	4.00
Translation exchange difference	1.11	14.13	-	-	-	15.24
Gross carrying amount as at 31st March, 2023	**176.59**	**339.58**	**7,211.30**	**129.63**	**25.03**	**7,882.13**
Accumulated amortisation and impairment as at 1st April, 2022	132.84	216.77	1,933.37	88.96	13.96	2,385.90
Amortisation during the year	19.03	26.77	415.80	12.46	2.50	476.56
Deductions during the year	3.37	0.15	-	-	-	3.52
Translation exchange difference	0.86	9.98	-	-	-	10.84
Accumulated amortisation as at 31st March, 2023	**149.36**	**253.37**	**2,349.17**	**101.42**	**16.46**	**2,869.78**
Net carrying amount as at 31st March, 2023	**27.23**	**86.21**	**4,862.13**	**28.21**	**8.57**	**5,012.35**

Notes forming part of the Consolidated Financial Statements

9 Other Intangible Assets (Continued)

(₹ in crores)

	Acquired intangible assets					
	Computer softwares	Product licenses	Brands	Non-compete fees	Drug master files	Total
Intangible assets under development						
Carrying amount as at 1st April, 2022						85.48
Additions during the year						181.54
Deductions/Capitalised during the year						192.23
Translation exchange difference						2.37
Carrying amount as at 31st March, 2023						**77.16**
Total						**5,089.51**
Gross carrying amount as at 1st April, 2021	138.76	283.89	5,266.80	103.68	25.03	5,818.16
Additions during the year	24.88	20.38	-	-	-	45.26
Deductions during the year	8.83	4.93	-	5.31	-	19.07
Translation exchange difference	0.45	1.52	-	0.16	-	2.13
Gross carrying amount as at 31st March, 2022	**155.26**	**300.86**	**5,266.80**	**98.53**	**25.03**	**5,846.48**
Accumulated amortisation and impairment as at 1st April, 2021	117.28	188.47	1,582.25	78.64	11.46	1,978.10
Amortisation during the year	19.28	28.68	351.12	14.12	2.50	415.70
Impairment during the year (Refer Note 38)	4.67	-	-	1.41	-	6.08
Deductions during the year	8.83	1.17	-	5.31	-	15.31
Translation exchange difference	0.44	0.79	-	0.10	-	1.33
Accumulated amortisation and impairment as at 31st March, 2022	**132.84**	**216.77**	**1,933.37**	**88.96**	**13.96**	**2,385.90**
Net carrying amount as at 31st March, 2022	**22.42**	**84.09**	**3,333.43**	**9.57**	**11.07**	**3,460.58**
Intangible assets under development (Net of impairment - Refer note 38)						
Carrying amount as at 1st April, 2021						145.48
Additions during the year						60.68
Deductions/Capitalised during the year						46.51
Impairment during the year (Refer Note 38)						75.42
Translation exchange difference						1.25
Carrying amount as at 31st March, 2022						**85.48**
Total						**3,546.06**

(i) Material intangible assets to the Group's financial statement:

Description of intangible assets	Brands
Net Carrying amount	₹4,862.13 crores as at 31st March, 2023
	(₹3,333.43 crores as at 31st March, 2022)
Remaining amortisation period	6 years to 15 years as at 31st March, 2023
	(7 years to 11 years as at 31st March, 2022)

Notes forming part of the Consolidated Financial Statements

9 Other Intangible Assets (Continued)

(ii) Ageing Schedule of Intangible assets under development:

(₹ in crores)

	Amount of intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Others (As at 31st March, 2023)	27.61	27.93	5.32	16.30	77.16
Others (As at 31st March, 2022)	27.47	17.63	6.64	33.74	85.48

10 Investments

(₹ in crores)

	No. of shares	As at 31st March, 2023	As at 31st March, 2022
Non-current			
At fair value through other comprehensive income			
Equity Instruments of:			
Epigeneres Biotech Private Limited	158	2.00	2.00
fully paid-up equity shares of ₹10 each			
Shivalik Solid Waste Management Limited	20,000	0.02	0.02
fully paid-up equity shares of ₹10 each			
UNM Foundation	50,000	0.05	0.05
fully paid-up equity shares of ₹10 each			
Investment in LLP:			
ABCD Technologies LLP	6.45% *	40.62	40.25
* Share of profit/loss and voting rights			
At amortised cost			
National savings certificates		0.01	0.01
		42.70	**42.33**
Current			
At fair value through other comprehensive income			
Equity Instruments of:			
Union Bank of India	5,115	0.03	0.02
fully paid-up equity shares of ₹2 each			
At fair value through profit or loss			
Mutual funds		156.06	183.96
		156.09	**183.98**
		198.79	**226.31**
(i) Aggregate amount of unquoted investments		42.70	42.33
(ii) Aggregate amount of quoted investments		0.03	0.02
(iii) Aggregate amount of investment in mutual funds at market value		156.06	183.96

Notes forming part of the Consolidated Financial Statements

11 Loans

[Unsecured and considered good, unless otherwise stated]

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
Non-current		
Employee loans	2.50	1.75
	2.50	**1.75**
Current		
Employee loans	1.71	2.61
	1.71	**2.61**
Total	**4.21**	**4.36**

12 Other Financial Assets

[Considered good, unless otherwise stated]

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
Non-current		
Security deposits	20.27	16.66
Derivative financial instruments	-	24.60
Fixed deposit with maturity of more than 12 months	28.41	25.59
	48.68	**66.85**
Current		
Security deposits	1.52	0.94
Derivative financial instruments	-	85.59
Interest accrued on deposits	1.93	0.05
Production linked incentive benefit receivable	57.48	-
Other receivables (Includes receivables on derivative instrument, discount receivables from vendors, etc.)	47.48	81.40
	108.41	**167.98**
	157.09	**234.83**

13 Other Assets

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
Non-current		
Capital advances	22.47	25.93
	22.47	**25.93**

13 Other Assets (Continued)

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
Current		
Export benefits receivable	7.19	35.53
Claims receivable (indirect tax/ insurance/ others)	57.22	68.51
Employees advances	7.11	6.98
Pre-paid expenses	66.69	51.46
Indirect taxes recoverable	104.24	84.05
Advances to suppliers	51.24	56.60
Other receivables (Includes gratuity assets (net), etc.)	8.90	9.08
	302.59	**312.21**
	325.06	**338.14**

14 Inventories

[At lower of cost or net realisable value]

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
Raw materials	752.49	841.24
Packing materials	57.26	57.62
Work-in-progress	116.47	177.59
Finished goods	859.71	1,013.08
Stock-in-trade	443.71	372.79
	2,229.64	**2,462.32**

(i) The Group (reversed) inventory write-down (net) of ₹(44.33) crores and ₹(51.63) crores to statement of profit and loss for the year ended 31st March, 2023 and 31st March, 2022 respectively.

(ii) The Group writes down the value of inventories towards slow moving, non moving and non saleable inventory (expires/damaged) based on historical experience of such items and any recent trends that may suggest realisable amount could differ from historical amounts.

(iii) Inventories are hypothecated as security for borrowings as disclosed under note 20.

15 Trade Receivables

[Unsecured]

(₹ in crores)

		As at 31st March, 2023	As at 31st March, 2022
(a)	Considered good	1,943.82	1,632.48
(b)	Credit-impaired	10.85	7.73
	Less: Allowance for expected credit loss	10.85	7.73
		1,943.82	**1,632.48**
(i)	Trade receivables are non-interest bearing and are generally on credit period of 60-180 days.		
(ii)	Movements in allowance for expected credit loss:		
	Opening balance	7.73	18.03
	Add: Provision made during the year (net)	2.27	0.90
	Less: Provision used during the year	(0.55)	(9.88)
	Add/(less): Translation exchange difference	1.40	(1.32)
	Closing balance	**10.85**	**7.73**

Notes forming part of the Consolidated Financial Statements

15 Trade Receivables (Continued)

(iii) Trade receivable ageing schedule for the year ended as on 31st March, 2023 and 31st March, 2022

(₹ in crores)

As at 31st March, 2023	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	1,820.63	109.26	8.05	3.12	0.73	2.03	1,943.82
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	0.11	1.44	0.55	0.32	2.76	5.18
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	0.32	1.80	0.33	3.22	5.67
Less: Allowance for credit loss							(10.85)
Total Trade Receivables							**1,943.82**

(₹ in crores)

As at 31st March, 2022	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	1,565.54	61.39	1.46	0.97	0.55	2.57	1,632.48
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	0.41	1.88	0.59	2.03	4.91
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	0.40	0.66	0.06	0.46	0.57	0.67	2.82
Less: Allowance for credit loss							(7.73)
Total Trade Receivables							**1,632.48**

Notes forming part of the Consolidated Financial Statements

16 Cash and Cash Equivalents

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
Balances with banks	470.18	375.29
Cash on hand	0.37	0.30
Fixed deposit with original maturity of less than 3 months	37.98	22.81
	508.53	**398.40**

17 Bank Balances Other Than Cash and Cash Equivalents

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
Earmarked balances with banks	4.80	4.44
Fixed deposit with original maturity of more than 3 months but less than 12 months	58.13	0.57
	62.93	**5.01**

Earmarked balances with banks primarily relates to unclaimed dividends.

18 Equity Share Capital

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
Authorised		
42,00,00,000 (Previous year: 25,00,00,000) equity shares of ₹5 each	210.00	125.00
25,00,000 (Previous year: 25,00,000) preference shares of ₹100 each	25.00	25.00
	235.00	**150.00**
Issued		
33,84,45,440 (Previous year: 16,92,22,720) equity shares of ₹5 each	169.23	84.62
Subscribed and fully paid-up		
33,84,45,440 (Previous year: 16,92,22,720) equity shares of ₹5 each	169.23	84.62
	169.23	**84.62**

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

	As at 31st March, 2023		As at 31st March, 2022	
	Numbers	(₹ in crores)	Numbers	(₹ in crores)
As at the beginning of the year	16,92,22,720	84.62	16,92,22,720	84.62
Add: Bonus shares issued during the year	16,92,22,720	84.61	-	-
Outstanding at the end of the year	33,84,45,440	169.23	16,92,22,720	84.62

(ii) Torrent Investments Private Limited, the holding Company, holds 24,11,27,440 (Previous year: 12,05,63,720) equity shares of ₹5 each, equivalent to 71.25% (Previous year: 71.25%) of the total number of subscribed and paid-up equity shares, which is the only shareholder holding more than 5% of total equity shares.

Notes forming part of the Consolidated Financial Statements

18 Equity Share Capital (Continued)

(iii) 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.

(iv) **Disclosure of shareholding of promoters:**

Shares held by Promoters at the end of the Year		As at 31st March, 2023		As at 31st March, 2022		% change during the year
S. No.	Promoter's Name	No. of Shares	% of total shares	No. of Shares	% of total shares	
1	Sudhir Uttamlal Mehta (HUF)	200	0.00	100	0.00	100%
2	Samir Uttamlal Mehta (HUF)	200	0.00	100	0.00	100%
3	Sudhir Uttamlal Mehta	200	0.00	100	0.00	100%
4	Samir Uttamlal Mehta	200	0.00	100	0.00	100%
5	Anita Sudhir Mehta	200	0.00	100	0.00	100%
6	Sapna Samir Mehta	200	0.00	100	0.00	100%
7	Jinal Sudhir Mehta	200	0.00	100	0.00	100%
8	Varun Sudhir Mehta	200	0.00	100	0.00	100%
9	Shaan Mehta	200	0.00	100	0.00	100%
10	Aman Mehta	200	0.00	100	0.00	100%
11	Torrent Investments Private Limited	24,11,27,440	71.25	12,05,63,720	71.25	100%
Total		**24,11,29,440**	**71.25**	**12,05,64,720**	**71.25**	**100%**

(v) Aggregate value of Issued, Subscribed and Paid-up Share Capital as on the Balance Sheet date for the period of preceding five years includes aggregate of 16,92,22,720 equity shares allotted as fully paid-up by way of bonus shares during the current year.

19 Other Equity

(Refer Consolidated Statement of Changes in Equity for detailed movement in Other Equity)

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
Reserves and Surplus		
Retained earnings	3,303.19	2,916.68
General reserve	2,812.70	2,857.25
Debenture redemption reserve	107.14	142.86
Capital reserve	5.56	5.56
Securities premium	-	4.34
	6,228.59	**5,926.69**
Other comprehensive income		
Equity instruments through other comprehensive income	0.42	0.17
Effective portion of cash flow hedges	(27.66)	43.35
Foreign currency translation reserve	(172.51)	(101.88)
	(199.75)	**(58.36)**
	6,028.84	**5,868.33**

Notes forming part of the Consolidated Financial Statements

20 Borrowings

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
Non-current		
Secured non-convertible debentures	785.03	772.64
Secured term loans from banks	1,511.19	1,017.24
Secured term loans from others	200.00	333.34
	2,496.22	**2,123.22**
Current		
Current maturities of long-term debt		
Secured non-convertible debentures	487.86	467.86
Secured term loans from banks	414.82	437.32
Secured term loans from others	133.33	66.66
Other borrowings		
Secured loans from banks	997.77	199.97
Unsecured loans from banks	767.30	723.07
	2,801.08	**1,894.88**
	5,297.30	**4,018.10**

Notes:

(i) Term Loans from banks referred above to the extent of:

(a) ₹657.42 crores (Previous year: ₹947.60 crores) are secured by first *pari-passu* mortgage/ charge on immovable as well as tangible movable assets, present and future, located at village Indrad (Manufacturing facility on identified land), Bhat (Research facility), Corporate office, Ahmedabad, all in Gujarat, and village Baddi (Manufacturing facility) in Himachal Pradesh as well as on certain identified trademarks of the Company including its future line extensions.

(b) ₹209.37 crores (Previous year: ₹355.34 crores) are secured by first *pari passu* mortgage/ charge on immovable and tangible movable assets, present and future, located at Dahej (SEZ) in Gujarat (Manufacturing facility) and Gangtok in Sikkim (Manufacturing facility) as well as on certain identified trademarks of the Company including its future line extensions.

(c) ₹164.44 crores (Previous year: ₹151.62 crores) from bank is secured by hypothecation of inventories and book debts.

(d) ₹145.00 crores (Previous year: ₹NIL) are secured by first *pari passu* mortgage/ charge on immovable as well as tangible movable, present and future, located at Dahej (SEZ) in Gujarat (Manufacturing facility) as well as on certain identified trademarks of the Company including its future line extensions, in respect of which company is in the process of creating charge.

(e) ₹349.78 crores (Previous year: ₹NIL) are secured by first *pari-passu* mortgage/ charge on immovable as well as tangible movable assets, present and future, located at village Indrad (Manufacturing facility on identified land) and Bhat (Research facility) as well as on certain identified trademarks of the Company including its future line extensions.

(f) ₹400.00 crores (Previous year: ₹NIL) are secured by first *pari-passu* mortgage/ charge on immovable as well as tangible movable assets, present and future, located at village Indrad (Manufacturing facility on identified land) and Bhat (Research facility) as well as on certain identified trademarks of the Company including its future line extensions, in respect of which company is in the process of creating charge.

Notes forming part of the Consolidated Financial Statements

20 Borrowings (Continued)

(ii) Non-convertible debentures referred above to the extent of:

(a) ₹427.89 crores (Previous year: ₹570.50 crores) are secured by first *pari-passu* mortgage/ charge on immovable as well as tangible movable assets, present and future, located at village Indrad (Manufacturing facility on identified land), Bhat (Research facility), Corporate office, Ahmedabad, all in Gujarat, and village Baddi (Manufacturing facility) in Himachal Pradesh as well as on certain identified trademarks of the Company including its future line extensions.

(b) ₹345.00 crores (Previous year: ₹670.00 crores) are secured by first pari passu mortgage/ charge on tangible immovable and movable assets, present and future, located at Dahej (SEZ) in Gujarat (Manufacturing facility) as well as on certain identified trademarks of the Company including its future line extensions.

(c) ₹500.00 crores (Previous year: ₹NIL) are secured by first *pari-passu* mortgage/ charge on immovable as well as tangible movable assets, present and future, located at village Indrad (Manufacturing facility on identified land) and Bhat (Research facility) as well as on certain identified trademarks of the Company including its future line extensions.

(iii) Term Loans from others referred above to the extent of ₹333.33 crores (Previous year: ₹400.00 crores) are secured by first exclusive mortgage/ charge on identified Land situated at Shilaj-Thaltej, Ahmedabad as well as first pari passu mortgage/ charge on certain identified trademarks of the Company including its future line extensions.

(iv) Short-term borrowings from banks are in nature of working capital facilities which are secured by hypothecation of inventories and book debts.

(v) Average interest rate on borrowings is 7.09% for the year ended 31st March, 2023 (Previous year: 5.70%).

(vi) The principal amount repayable in yearly instalments for long-term borrowings are as under:

Financial year	₹ in crores
2023-24	1,036.01
2024-25	826.95
2025-26	651.81
2026-27	301.37
2027-28	252.38
2028-29	237.75
2029-30	199.50
2030-31	29.75
	3,535.52
Less: Amortised cost adjustment	3.29
Total	**3,532.23**

(vii) Maturity profile and rate of interest of non-convertible debentures are set out as below:

Effective rate of Interest	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	Total repayment	Amortised cost adjustment	Closing Balance
7.70% to 8.71%	487.86	142.86	242.84	100.00	100.00	100.00	100.00	1,273.56	0.67	1,272.89

(viii) The Company has been sanctioned working capital limits from banks on the basis of security of current assets. The quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Parent Company.

Notes forming part of the Consolidated Financial Statements

21 Provisions

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
Non-current		
Provision for employee benefits		
Post-retirement benefits (Refer note 35)	78.81	89.75
Leave benefits	102.66	96.33
	181.47	**186.08**
Provision for sales returns (Refer Note (i) below)	203.00	170.18
Provision for expenses (Refer Note (ii) below)	8.59	12.48
	393.06	**368.74**
Current		
Provision for employee benefits		
Post-retirement benefits (Refer note 35)	3.16	2.90
Leave benefits	20.15	16.58
	23.31	**19.48**
Provision for sales returns (Refer Note (i) below)	244.87	219.09
Provision for failure to supply (Refer Note (iii) below)	108.92	139.15
Provision for medicaid (Refer Note (iv) below)	13.33	6.38
Provision for expenses (Refer Note (ii) below)	3.28	26.93
	393.71	**411.03**
	786.77	**779.77**

(i) Provision for sales returns:

The Group, as a trade practice, accepts returns from market which are primarily in the nature of expired or near expiry products. Provision is made for such returns on the basis of historical experience, market conditions and specific contractual terms.

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
Opening balance	389.27	384.10
Add: Provision made during the year	280.76	248.61
Add: Recognised on account of business combination (Refer Note 41)	10.63	-
Less: Provision utilised during the year	(244.73)	(250.18)
Add: Translation exchange difference	11.94	6.74
Closing balance	**447.87**	**389.27**
Non-current provision	203.00	170.18
Current provision	244.87	219.09
Total	**447.87**	**389.27**

Notes forming part of the Consolidated Financial Statements

21 Provisions (Continued)

(ii) Provision for expenses:

(a) Non-current:

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.

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
Opening balance	12.48	10.13
Add: Additional provision (net of reversal)	(3.89)	(0.09)
Add: Translation exchange difference	(0.00)	2.44
Closing balance	**8.59**	**12.48**

(b) Current:

Provision for expenses includes estimated amount of liability pertaining to certain contractual obligations and product recall expenses.

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
Opening balance	26.93	2.71
Add: Additional provision (net of reversal) (Refer Note - 38)	-	26.04
Less: Utilisation during the year	(25.34)	(2.19)
Add: Translation exchange difference	1.69	0.37
Closing balance	**3.28**	**26.93**

(iii) Provision for failure to supply:

The Group has a contractual obligation to pay compensation against failure to supply in certain cases. Provisions are estimated based on evaluation of likely claims on short supplies by the Group.

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
Opening balance	139.15	173.63
Add: Addition during the year	31.89	43.70
Less: Reversal during the year	(50.84)	(62.16)
Less: Utilisation during the year	(17.90)	(14.21)
Add/(Less): Translation exchange difference	6.62	(1.81)
Closing balance	**108.92**	**139.15**

Notes forming part of the Consolidated Financial Statements

21 Provisions (Continued)

(iv) Provision for medicaid:

Pharmaceutical manufacturers whose products are covered by the Medicaid programme of the USA are required to provide rebate to each state a percentage of the average manufacturer's price for the products dispensed. Medicaid rebates are estimated based on historical trends of rebates paid.

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
Opening balance	6.38	11.74
Add: Additional provision (net of reversal)	31.80	26.24
Less: Utilisation during the year	(25.52)	(31.92)
Add: Translation exchange difference	0.67	0.32
Closing balance	**13.33**	**6.38**

22 Income Taxes

(₹ in crores)

	Year ended 31st March, 2023	Year ended 31st March, 2022
(a) Charge recognised in the statement of profit and loss:		
Current tax:		
Expense for current year	354.77	346.22
Expense/(Income) pertaining to prior years	19.54	(4.02)
Deferred tax:		
Deferred tax charge for the year	227.62	106.53
	601.93	**448.73**
(b) Charge/(credit) recognised in other comprehensive income		
Re-measurement (losses)/gains on defined benefit plans	(4.60)	0.84
Equity instruments through other comprehensive income	(0.13)	(0.09)
Effective portion on gains/(losses) on hedging instruments in a cash flow hedge	38.14	(1.15)
	33.41	**(0.40)**
(c) Reconciliation of Effective Tax Rate:		
Profit before income taxes	1,847.16	1,225.91
Enacted tax rate in India	34.94%	34.94%
Expected income tax expenses	**645.47**	**428.38**
Adjustments to reconcile expected income tax expense to reported income tax expense:		
Effect of deductions allowed under Income Tax	(44.30)	(48.80)
Tax impact on future transition to new tax regime	(20.01)	(25.69)
Effect of expenses not deductible in determining taxable profit	40.04	52.94
Foreign exchange difference	(32.50)	(1.34)
Effect of difference between Indian tax rate and foreign tax rate	(16.50)	72.45
Tax adjustments of prior periods	19.54	(4.02)
Others (net)	10.19	(25.19)
Adjusted income tax expenses	**601.93**	**448.73**
Effective Tax Rate	32.59%	36.60%

Notes forming part of the Consolidated Financial Statements

22 Income Taxes (Continued)

(d) Deferred tax relates to:

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
Deferred tax liabilities:		
Property, plant and equipments, goodwill and other intangible assets	916.31	883.09
Cash flow hedge reserve	-	23.28
Deferred tax (assets):		
Provision for employee benefit expense	(58.82)	(55.37)
Valuation of inventories	(77.47)	(62.39)
Provision for expenses	(206.59)	(179.19)
Provision for chargebacks	(87.97)	(101.53)
Tax losses of subsidiaries	(16.39)	(16.24)
MAT Credit entitlement	(527.42)	(724.06)
Unrealised profit in inventory	(43.05)	(39.46)
Cash flow hedge reserve	(14.86)	-
Others	(25.47)	(28.22)
Deferred tax liabilities/(assets) net	**(141.73)**	**(300.09)**

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:

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
Deferred tax liabilities	401.94	193.56
Deferred tax assets	543.67	493.65
	(141.73)	**(300.09)**

Amount of ₹16.39 crores pertains to deferred tax asset created on tax losses of subsidiaries. The Group, based on future taxable income generation projections, expects to realise the same in future periods.

Amount of unused tax losses for which deferred tax asset not recognised is ₹2.85 crores as at 31st March, 2023.

Under the Income-tax Act, 1961, the Company is liable to pay Minimum Alternate Tax (MAT). MAT paid can be carried forward for a period of 15 years and can be set off against the future tax liabilities. MAT is recognised as a deferred tax asset only when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

In assessing the realisation of deferred tax assets, management considers that ultimate realisation of deferred tax depends on the generation of future taxable income during the period in which deferred tax assets become deductible. Based on the trend of historical taxable income and projection for future taxable income over the period in which the deferred tax assets are deductible, management believes that the Group will realise the benefits of those deductible differences. Accordingly, amount of deferred tax assets are considered realisable.

Notes forming part of the Consolidated Financial Statements

22 Income Taxes (Continued)

(e) Movement of deferred tax liabilities/(assets) during the year:

(₹ in crores)

Year ended 31st March, 2023	Opening balance as at 1st April, 2022	On account of business combination (Refer Note 41)	Recognised in statement of profit and loss	Recognised in other comprehensive income	Foreign exchange difference	Closing balnce as at 31st March, 2023
Deferred tax liabilities/(assets) in relation to:						
Property, plant and equipments, goodwill and other intangible assets	883.09	(2.63)	42.21	-	(6.36)	916.31
Cash flow hedge reserve	23.28	-	-	(38.14)	-	(14.86)
Provision for employee benefit expense	(55.37)	(2.38)	(5.12)	4.60	(0.55)	(58.82)
Valuation of inventories	(62.39)	-	(10.92)	-	(4.16)	(77.47)
Provision for expenses	(179.19)	-	(17.36)	-	(10.04)	(206.59)
Provision for chargebacks	(101.53)	-	22.72	-	(9.16)	(87.97)
Tax losses of subsidiaries	(16.24)	-	0.05	-	(0.20)	(16.39)
MAT credit entitlement	(724.06)	-	196.64	-	-	(527.42)
Unrealised profit in Inventory	(39.46)	-	(3.59)	-	-	(43.05)
Others	(28.22)	-	2.99	0.13	(0.37)	(25.47)
Deferred Tax arising on account of business combination (Refer Note 38 and 41)	-	458.52	(458.52)	-	-	-
Deferred tax liabilities/(assets) net	**(300.09)**	**453.51**	**(230.90)**	**(33.41)**	**(30.84)**	**(141.73)**

(₹ in crores)

Year ended 31st March, 2022	Opening balance as at 1st April, 2021	Recognised in statement of profit and loss	Recognised in other comprehensive income	Foreign exchange difference	Closing balnce as at 31st March, 2022
Deferred tax liabilities/(assets) in relation to:					
Property, plant and equipments, goodwill and other intangible assets	939.28	(58.71)	-	2.52	883.09
Cash flow hedge reserve	22.13	-	1.15	-	23.28
Provision for employee benefit expense	(51.32)	(4.91)	(0.84)	1.70	(55.37)
Valuation of inventories	(65.26)	0.25	-	2.62	(62.39)
Provision for expenses	(97.66)	(85.53)	-	4.00	(179.19)
Provision for chargebacks	(117.28)	12.64	-	3.11	(101.53)
Tax losses of subsidiaries	(8.63)	(7.49)	-	(0.12)	(16.24)
MAT credit entitlement	(965.65)	241.59	-	-	(724.06)
Unrealised profit in Inventory	(63.01)	23.56	-	(0.01)	(39.46)
Others	(14.26)	(14.87)	0.09	0.82	(28.22)
Deferred tax liabilities/(assets) net	**(421.66)**	**106.53**	**0.40**	**14.64**	**(300.09)**

Notes forming part of the Consolidated Financial Statements

23 Trade payables

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
Total outstanding dues of micro enterprises and small enterprises	17.96	20.36
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,660.84	1,654.08
	1,678.80	**1,674.44**

(i) Trade Payables ageing schedule for the year ended as on 31st March, 2023 and 31st March, 2022

(₹ in crores)

As at 31st March, 2023	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	13.24	4.26	0.09	0.07	0.30	17.96
(ii) Others	1,121.90	428.32	101.08	4.14	0.62	2.67	1,658.73
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	2.11	2.11
Total	**1,121.90**	**441.56**	**105.34**	**4.23**	**0.69**	**5.08**	**1,678.80**

(₹ in crores)

As at 31st March, 2022	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	17.20	2.36	0.32	0.31	0.17	20.36
(ii) Others	1,124.62	432.74	88.22	3.99	0.65	1.91	1,652.13
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	1.95	-	1.95
Total	**1,124.62**	**449.94**	**90.58**	**4.31**	**2.91**	**2.08**	**1,674.44**

(ii) Disclosures required by the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as under:

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
(a) (i) The principal amount remaining unpaid at the end of the year (Including Creditors for capital goods)	19.56	20.36
(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	14.28	21.65
(ii) Interest actually paid under Section 16 of the MSMED Act	0.07	0.12
(c) Normal interest due and payable during the year, for all the delayed payments, as per the agreed terms	0.08	0.07
(d) Total interest accrued during the year and remaining unpaid	0.08	0.07
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act	-	-

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

Notes forming part of the Consolidated Financial Statements

24 Other Financial Liabilities

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
Non-Current		
Creditors for capital goods	6.37	0.78
Security deposits	5.39	4.26
Derivative financial instruments	9.11	-
	20.87	**5.04**
Current		
Interest accrued but not due on borrowings	60.80	34.70
Creditors for capital goods	44.17	18.58
Payables for employee benefits	175.97	144.79
Unclaimed dividend	4.80	4.44
Book overdraft	46.25	38.96
Derivative financial instruments	79.21	27.71
Other payables	9.78	10.09
	420.98	**279.27**
	441.85	**284.31**

25 Other Liabilities

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
Non-Current		
Government grant	1.46	1.96
Payables to statutory and other authorities	-	2.46
	1.46	**4.42**
Current		
Trade advances	1.33	10.13
Payables to statutory and other authorities	92.31	78.83
Government grant	0.50	1.35
Other payables	8.95	8.95
	103.09	**99.26**
	104.55	**103.68**

Notes forming part of the Consolidated Financial Statements

26 Revenue from Operations

(₹ in crores)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Sales		
Sales in India	5,294.84	4,661.44
Sales outside India	4,168.85	3,757.36
	9,463.69	**8,418.80**
Other operating income		
Export benefits	24.38	24.77
Income from product registration dossiers	3.72	1.72
Compensation and settlement income	38.32	19.64
Government grant income	1.35	2.19
Production linked incentive income	57.48	-
Other operating income	31.21	40.92
	156.46	**89.24**
	9,620.15	**8,508.04**
Reconciliation of revenue from operations with the contracted price:		
Contracted price	16,195.99	15,121.89
Adjustments:		
Chargeback, rebates and discounts	(6,419.74)	(6,428.24)
Sales return	(280.76)	(248.61)
Others	(31.80)	(26.24)
Sales	**9,463.69**	**8,418.80**
Add: Other operating income	156.46	89.24
Revenue from operations	**9,620.15**	**8,508.04**

Revenue disaggregation by geography has been included in segment reporting (Refer note 36).

Revenue from operations also includes contract manufacturing revenue of ₹481.68 crores and ₹547.18 crores for the year ended 31st March, 2023 and 31st March, 2022 respectively.

27 Other Income

(₹ in crores)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Interest income	14.78	7.15
Net gain on sale of investments (including gain/(loss) on fair valuation ₹0.14 crores and ₹0.26 crores for year ended 31st March, 2023 and 31st March, 2022 respectively)	19.51	10.14
Net foreign exchange (loss)/ gain (Including gain on hedging)	(18.08)	169.54
Profit on sale of Property, Plant and Equipment (net)	21.62	-
Miscellaneous non-operating income	7.31	9.73
	45.14	**196.56**

Notes forming part of the Consolidated Financial Statements

28 Cost of Materials Consumed

(₹ in crores)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Raw materials	1,258.43	1,326.24
Packing materials	221.99	211.26
	1,480.42	**1,537.50**

29 Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade

(₹ in crores)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Opening inventory:		
Finished goods	1,013.08	958.23
Work-in-progress	177.59	180.32
Stock-in-trade	372.79	498.77
	1,563.46	**1,637.32**
Add: On account of business combination (Refer Note 41)		
Stock-in-trade	22.62	
	22.62	**-**
Less: Closing inventory:		
Finished goods	859.71	1,013.08
Work-in-progress	116.47	177.59
Stock-in-trade	443.71	372.79
	1,419.89	**1,563.46**
Changes in inventory	**166.19**	**73.86**

30 Employee Benefits Expense

(₹ in crores)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Salaries, wages and bonus	1,432.61	1,304.67
Contribution to provident and other funds	153.11	133.69
Gratuity and other retirement benefit cost (Refer Note 35)	29.00	27.70
Staff welfare expenses	62.97	60.39
	1,677.69	**1,526.45**

31 Finance Costs

(₹ in crores)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Interest expenses	329.11	249.94
Interest expenses on lease	3.13	2.99
Other borrowing cost	1.20	2.13
	333.44	**255.06**

Notes forming part of the Consolidated Financial Statements

32 Depreciation, Amortisation and Impairment Expense

(₹ in crores)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Depreciation of tangible assets	205.09	216.55
Amortisation of intangible assets	476.56	415.70
Impairment of intangible assets under development	4.56	0.23
Amortisation on right-of-use assets	20.38	29.68
	706.59	**662.16**

33 Other Expenses

(₹ in crores)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Selling, publicity and medical literature expenses	1,026.99	884.91
Laboratory goods and testing expenses	141.04	157.40
Power and fuel	155.28	144.19
Travelling, conveyance and vehicle expenses	158.14	81.64
Clinical research expense	31.27	38.65
Stores and spares consumed	92.50	95.46
Professional and legal fees	137.20	110.71
Cost of outsourced manpower	83.99	88.36
Allowance for expected credit loss (net)	2.27	0.90
Auditors remuneration and expenses	4.66	4.13
Commission to Non-Executive Directors	3.40	1.13
Donation	29.85	37.79
Corporate social responsibility expenditure (Refer note 42)	26.73	23.00
General charges	471.90	440.04
	2,365.22	**2,108.31**

34 Earnings Per Share

		Year ended 31st March, 2023	Year ended 31st March, 2022
The basic and diluted earnings per share [EPS] are:			
Net profit for the year [a]	(₹ in crores)	1,245.23	777.18
Weighted average number of equity shares [b]	(Nos.)	33,84,45,440	33,84,45,440
EPS (basic and diluted) [a]/[b]	₹	36.79	22.96
Nominal value per equity share	₹	5.00	5.00

Pursuant to approval given by its shareholders, the parent Company has during the year ended 31st March, 2023 issued 16,92,22,720 equity shares of ₹5/- each as fully paid-up bonus equity shares in the ratio of 1 (one) equity share for every 1 (one) existing equity share. Accordingly, the earnings per share has been adjusted for previous period and presented in accordance with Ind AS 33, Earnings Per Share.

Notes forming part of the Consolidated Financial Statements

35 Defined Benefit Plans

The accruing liability on account of retirement benefit plans (in the nature of defined benefits plan) is accounted as per Ind-AS 19 "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: Philippines subsidiary has a non-contributory defined benefit retirement plan covering all of its regular employees. The benefits are based on respective employee's 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 labour laws. It is a defined benefit plan which provides benefits to eligible employees post retirement/termination.

(₹ in crores)

	Year ended 31st March, 2023				Year ended 31st March, 2022			
	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	294.48	82.89	6.73	3.03	268.66	95.37	7.43	2.98
Amount transferred consequent to Amalgamation	6.53	-	-	-	-	-	-	-
Current service cost	25.42	0.26	0.79	1.22	24.04	0.44	0.98	1.43
Interest cost	20.41	1.70	0.37	0.29	17.65	1.32	0.31	0.23
Liability transferred in	-	-	-	-	0.05	-	-	-
Liability transferred out	-	-	-	-	(0.46)	-	-	-
Actuarial (gains)/losses	(0.30)	(16.47)	(0.78)	0.57	1.51	(10.03)	(1.26)	(0.18)
Benefits paid directly by the employer	(1.34)	(2.54)	-	(1.23)	(0.83)	(2.59)	-	(1.62)
Benefits paid from the fund	(21.71)	-	-	-	(16.14)	-	-	-
Translation exchange difference	-	4.51	0.02	0.61	-	(1.62)	(0.73)	0.19
Obligations at the end of the year	**323.49**	**70.35**	**7.13**	**4.49**	**294.48**	**82.89**	**6.73**	**3.03**

Notes forming part of the Consolidated Financial Statements

35 Defined Benefit Plans (Continued)

(₹ in crores)

	Year ended 31st March, 2023				Year ended 31st March, 2022			
	Gratuity	Pension	Retirement Benefit Plan	Retirement Benefit and Seniority Premium Plan	Gratuity	Pension	Retirement Benefit Plan	Retirement Benefit and Seniority Premium Plan
(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	300.75	-	-	-	278.47	-	-	-
Addition due to business combination	1.10	-	-	-	-	-	-	-
Interest income	20.77	-	-	-	18.30	-	-	-
Return on plan assets, excluding interest income	(8.06)	-	-	-	(0.88)	-	-	-
Contributions	36.55	-	-	-	21.00	-	-	-
Benefits paid	(21.71)	-	-	-	(16.14)	-	-	-
Plan assets at the end of the year, at fair value	**329.40**	**-**	**-**	**-**	**300.75**	**-**	**-**	**-**
Actual return on plan assets	**12.71**	**-**	**-**	**-**	**17.42**	**-**	**-**	**-**
(c) Expense recognised in the statement of profit and loss for the year:								
Current service cost	25.42	0.26	0.79	1.22	24.04	0.44	0.98	1.43
Net Interest on net defined benefit liability	(0.36)	1.70	0.37	0.29	(0.65)	1.32	0.31	0.23
Net gratuity and other retirement benefit cost *	**25.06**	**1.96**	**1.16**	**1.51**	**23.39**	**1.76**	**1.29**	**1.66**
* ₹0.69 crores (Previous year: ₹0.41 crores) capitalised as pre-operative expenses out of above amount.								
(d) (Gains)/losses recognised in other comprehensive income for the year:								
Actuarial (gains)/losses	(0.30)	(16.47)	(0.78)	0.57	1.51	(10.03)	(1.26)	(0.18)
Return on plan assets, excluding interest income	8.06	-	-	-	0.88	-	-	-
	7.76	**(16.47)**	**(0.78)**	**0.57**	**2.39**	**(10.03)**	**(1.26)**	**(0.18)**
(e) Reconciliation of the present value of the defined benefit obligation and fair value of plan assets:								
Obligations at the end of the year	323.49	70.35	7.13	4.49	294.48	82.89	6.73	3.03
Plan assets at the end of the year, at fair value	329.40	-	-	-	300.75	-	-	-
(Asset)/Liability recognised in balance sheet	**(5.91)**	**70.35**	**7.13**	**4.49**	**(6.27)**	**82.89**	**6.73**	**3.03**

Notes forming part of the Consolidated Financial Statements

35 Defined Benefit Plans (Continued)

(₹ in crores)

	Year ended 31st March, 2023				Year ended 31st March, 2022			
	Gratuity	Pension	Retirement Benefit Plan	Retirement Benefit and Seniority Premium Plan	Gratuity	Pension	Retirement Benefit Plan	Retirement Benefit and Seniority Premium Plan
(f) Remeasurement of net defined benefit liability/(asset):								
Actuarial (gains)/losses:								
Changes in demographic assumptions	0.57	-	(0.25)	-	0.15	-	-	-
Changes in financial assumptions	(9.73)	(18.09)	(0.80)	0.13	(6.65)	(9.67)	(1.13)	0.06
Experience adjustments	8.86	1.62	-	0.40	8.01	(0.36)	(0.13)	(0.24)
Remeasurement of defined benefit liability	**(0.30)**	**(16.47)**	**(1.05)**	**0.53**	**1.51**	**(10.03)**	**(1.26)**	**(0.18)**
Remeasurement of return on plan assets	8.06	-	-	-	0.88	-	-	-
Total	**7.76**	**(16.47)**	**(1.05)**	**0.53**	**2.39**	**(10.03)**	**(1.26)**	**(0.18)**
(g) Expected contribution for the next year	15.57	3.16	0.45	0.72	19.14	2.68	0.02	0.50
(h) Assumptions:								
Discount rate	7.41%	4.09%	5.50%	9.75%	6.90%	2.10%	5.50%	9.50%
Salary escalation rate	10.00%	2.50%	6.00%	4.50%	10.00%	2.50%	6.00%	4.50%
Weighted average duration of defined benefit obligation	8 years	13 years	11 years	5.26 years	8 years	14.90 years	12.64 years	5.34 years

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

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

(i) Sensitivity Analysis for each significant actuarial assumption:

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(₹ in crores)

	Year ended 31st March, 2023				Year ended 31st March, 2022			
	Gratuity	Pension	Retirement Benefit Plan	Retirement Benefit and Seniority Premium Plan	Gratuity	Pension	Retirement Benefit Plan	Retirement Benefit and Seniority Premium Plan
Impact of increase in discount rate by 1%	(19.41)	(7.96)	(0.68)	(0.21)	(18.58)	(10.85)	(0.74)	(0.14)
Impact of decrease in discount rate by 1%	21.90	9.74	0.80	0.23	21.06	13.60	0.88	0.16

Notes forming part of the Consolidated Financial Statements

35 Defined Benefit Plans (Continued)

(₹ in crores)

	Year ended 31st March, 2023				Year ended 31st March, 2022			
	Gratuity	Pension	Retirement Benefit Plan	Retirement Benefit and Seniority Premium Plan	Gratuity	Pension	Retirement Benefit Plan	Retirement Benefit and Seniority Premium Plan
Impact of increase in salary escalation rate by 1%	21.10	0.21	0.80	0.20	20.23	0.29	0.87	0.14
Impact of decrease in salary escalation rate by 1%	(19.13)	(0.20)	(0.69)	(0.18)	(18.24)	(0.28)	(0.74)	(0.12)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

(j) Investment details of plan assets (Gratuity):

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

	As at 31st March, 2023	As at 31st March, 2022
Equity instruments	8.24%	8.93%
Corporate bonds	48.27%	43.78%
Government securities	29.98%	24.11%
Other investments and net current assets	13.51%	23.18%

(k) Maturity profile:

The defined benefit obligations shall mature after year ended 31st March, 2023 as follows:

(₹ in crores)

	Undiscounted values			
	Gratuity	Pension	Retirement Benefit Plan	Retirement Benefit and Seniority Premium Plan
1st following year	36.07	3.16	0.45	0.72
2nd following year	30.24	3.43	0.03	0.81
3rd following year	34.77	3.50	0.98	0.89
4th following year	33.53	3.60	1.15	0.98
5th following year	32.46	3.74	0.25	1.08
Thereafter	417.28	20.39	2.55	6.23

(l) Asset-liability matching strategies:

In respect of gratuity plan, Company contributes to the insurance fund based on estimated liability of the next financial year end. The projected liability statement is obtained from the actuarial valuer.

Notes forming part of the Consolidated Financial Statements

36 Segment Reporting

Operating segment are components of the Group whose operating results are regularly reviewed by the Chief Operating Decision Maker [CODM] to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Generic Formulation Business is identified as single operating segment for the purpose of making decision on allocation of resources and assessing its performance.

Entity-wide disclosures:

(i) Revenues from external customers:

(₹ in crores)

	Year ended 31st March, 2023	Year ended 31st March, 2022
India	5,369.59	4,683.20
Outside India:		
USA	1,162.06	1,067.21
Germany	927.69	966.31
Brazil	935.46	742.04
Other countries	1,225.35	1,049.28
Total	**9,620.15**	**8,508.04**

Revenue from external customers is allocated based on the location of the customer.

(ii) Non-current assets:

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
India	8,684.10	6,843.68
Outside India:		
USA	28.68	65.54
Germany	100.98	82.93
Brazil	34.58	24.11
Other countries	60.98	62.14
Total	**8,909.32**	**7,078.40**

Non-current assets include property, plant and equipment, right-of-use assets, intangible assets and capital advances. It is allocated based on the geographic location of the respective assets.

(iii) Major customers:

The Group has no external customer which accounts for more than 10% of the Group's total revenue for the year ended 31st March, 2023 and 31st March, 2022.

Notes forming part of the Consolidated Financial Statements

37 Financial Instruments

(i) Financial assets and liabilities

Accounting classification and fair values:

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below.

(₹ in crores)

As at 31st March, 2023	Carrying Value	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets:					
Amortised cost *:					
Cash and cash equivalents	508.53	-	-	-	-
Bank balances other than cash and cash equivalents	62.93	-	-	-	-
Trade receivables	1,943.82	-	-	-	-
Investments	0.01	-	-	-	-
Loans	4.21	-	-	-	-
Other financial assets	157.09	-	-	-	-
Fair value through other comprehensive income:					
Investment in equity instruments	42.72	0.03	-	42.69	42.72
Fair value through profit or loss:					
Investment in mutual funds	156.06	156.06	-	-	156.06
Total	**2,875.37**	**156.09**	**-**	**42.69**	**198.78**
Financial liabilities:					
Amortised cost *:					
Borrowings	5,297.30	-	-	-	-
Trade payables	1,678.80	-	-	-	-
Other financial liabilities	353.53	-	-	-	-
Lease liability	71.26	-	-	-	-
Derivative instruments:					
Designated as cash flow hedge	42.52	-	42.52	-	42.52
Fair value through profit and loss	45.80	-	45.80	-	45.80
Total	**7,489.21**	**-**	**88.32**	**-**	**88.32**

37 Financial Instruments (Continued)

(₹ in crores)

As at 31st March, 2022	Carrying Value	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets:					
Amortised cost *:					
Cash and cash equivalents	398.40	-	-	-	-
Bank balances other than cash and cash equivalents	5.01	-	-	-	-
Trade receivables	1,632.48	-	-	-	-
Investments	0.01	-	-	-	-
Loans	4.36	-	-	-	-
Other financial assets	124.64	-	-	-	-
Fair value through other comprehensive income:					
Investment in equity instruments	42.34	0.02	-	42.32	42.34
Fair value through profit or loss:					
Investment in mutual funds	183.96	183.96	-	-	183.96
Derivative instruments:					
Designated as cash flow hedge	66.63	-	66.63	-	66.63
Fair value through profit and loss	43.56	-	43.56	-	43.56
Total	**2,501.39**	**183.98**	**110.19**	**42.32**	**336.49**
Financial liabilities:					
Amortised cost *:					
Borrowings	4,018.10	-	-	-	-
Trade payables	1,674.44	-	-	-	-
Other financial liabilities	256.60	-	-	-	-
Lease liability	51.55				
Derivative instruments:					
Fair value through profit and loss	27.71	-	27.71	-	27.71
Total	**6,028.40**	**-**	**27.71**	**-**	**27.71**

* The Group has not disclosed the fair value of financial instruments, because their carrying amount are a reasonable approximation of fair value.

Determination of fair values:

The following are the basis of assumptions used to estimate the fair value of financial assets and liabilities that are measured at fair value on recurring basis:

Investment in mutual funds: The fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.

Equity investments: Equity investments traded in an active market determined by reference to their quoted market prices. Other equity investments where quoted prices are not available, fair values are determined by reference to the expected discounted cash flows from the underlying net assets or current market value of net assets.

Derivative instruments: For forward contracts and cross currency interest rate swaps, future cash flows are estimated based on forward exchange rates and forward interest rates (from observable forward exchange rates/ yield curves at the end of the reporting period) and contract forward exchange rates and forward interest rates, discounted at a rate that reflects the credit risk of respective counterparties.

Notes forming part of the Consolidated Financial Statements

37 Financial Instruments (Continued)

(ii) Derivative financial instruments

Cash flow hedges:

Derivatives are taken to cover foreign exchange risk of highly probable forecasted sales transactions occurring in foreign currencies and foreign currency borrowings. The following are outstanding derivative contracts designated as cash flow hedges:

Currency	Nature of derivative contracts	Buy/Sell	Net position (Amount in crores)		Fair value gain/(loss) (₹ in crores)	
			31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
USD	Forward contracts	Sell	30.43	32.25	(22.21)	34.17
EUR	Forward contracts	Sell	5.39	4.53	(14.11)	12.35
GBP	Forward contracts	Sell	0.83	0.49	(1.55)	1.85
MXN	Forward contracts	Sell	5.25	5.50	(2.72)	(1.15)
MYR	Forward contracts	Sell	3.48	3.30	(1.62)	(1.68)
RUB	Forward contracts	Sell	59.83	86.86	(0.26)	21.16
THB	Forward contracts	Sell	0.56	0.22	(0.05)	(0.01)
AUD	Forward contracts	Sell	-	0.03	-	(0.06)
					(42.52)	**66.63**
Less: Deferred tax					(14.86)	23.28
Balance in cash flow hedge reserve					**(27.66)**	**43.35**

The movement of cash flow hedges in other comprehensive income is as follows:

(₹ in crores)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Balance at the beginning of the year	43.35	41.20
Losses/(gains) transferred to profit or loss	74.25	(124.31)
Deferred tax on (gains)/losses reclassified to profit or loss	(25.95)	43.44
Change in the fair value of effective portion of cash flow hedges	(183.40)	127.61
Deferred tax on change in the fair value of effective portion of cash flow hedges	64.09	(44.59)
Balance at the end of the year	**(27.66)**	**43.35**

(iii) Financial risk management

The Group's activities are exposed to variety of financial risks. These risks include market risk (including foreign exchange risk and interest rate risks), credit risks and liquidity risk. The Group's overall risk management programme seeks to minimise potential adverse effects on the financial performance of the Group through established policies and processes which are laid down to ascertain the extent of risks, setting appropriate limits, controls, continuous monitoring and its compliance.

(a) Market risk:

Market risk refers to the possibility that changes in the market rates may have impact on the Group's profits or the value of its holding of financial instruments. The Group is exposed to market risks on account of foreign exchange rates, interest rates and underlying equity prices.

Notes forming part of the Consolidated Financial Statements

37 Financial Instruments (Continued)

(a1) Foreign currency exchange rate risk:

The Group's foreign currency risk arises from its foreign operations, investments in foreign subsidiaries, foreign currency transactions and foreign currency borrowings. The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective consolidated entities.

Since a major part of the Group's revenue is in foreign currency and major part of the costs are in Indian Rupees, any movement in currency rates would have impact on the Group's performance. Consequently, the overall objective of the foreign currency risk management is to minimise the Short-term currency impact on its revenue and cash-flow in order to improve the predictability of the financial performance.

The major foreign currency exposures for the Group are denominated in USD and EURO. Additionally, there are transactions which are entered into in other currencies and are not significant in relation to the total volume of the foreign currency exposures. The Group hedges trade receivables and future cash flows upto a maximum of 24 months forward based on historical trends, budgets and monthly sales estimates. The foreign exchange forward contracts are denominated in the same currency as the highly probable forecast sales, therefore the hedge ratio is 1:1 based on management's current assessment. Hedge effectiveness is assessed on a regular basis.

The following table sets forth information relating to foreign currency exposure from non-derivative financial instruments:

(₹ in crores)

As at 31st March, 2023	US Dollar	Euro	Others*	Total
Assets:				
Cash and cash equivalents	49.11	155.34	218.65	423.10
Trade receivables	696.93	338.17	578.48	1,613.58
Bank balances other than cash and cash equivalents	-	0.71	-	0.71
Other assets	15.15	75.58	10.21	100.94
Total	**761.19**	**569.80**	**807.34**	**2,138.33**
Liabilities:				
Borrowings	731.73	-	-	731.73
Trade payables	55.17	947.20	90.12	1,092.49
Other liabilities	22.03	17.64	52.80	92.47
Lease liability	11.71	24.39	25.34	61.44
Total	**820.64**	**989.23**	**168.26**	**1,978.13**
Net assets/(liabilities)	**(59.45)**	**(419.43)**	**639.08**	**160.20**

(₹ in crores)

As at 31st March, 2022	US Dollar	Euro	Others*	Total
Assets:				
Cash and cash equivalents	65.23	121.41	146.02	332.66
Trade receivables	609.81	298.90	455.75	1,364.46
Bank balances other than cash and cash equivalents	-	0.55	-	0.55
Other assets	18.39	84.58	7.83	110.80
Total	**693.43**	**505.44**	**609.60**	**1,808.47**
Liabilities:				
Borrowings	674.68	-	-	674.68
Trade payables	112.63	977.77	67.50	1,157.90
Other liabilities	34.07	27.18	78.44	139.69
Total	**821.38**	**1,004.95**	**145.94**	**1,972.27**
Net assets/(liabilities)	**(127.95)**	**(499.51)**	**463.66**	**(163.80)**

* Others mainly includes currencies namely British Pound, Mexican Peso, Russian Rouble.

Notes forming part of the Consolidated Financial Statements

37 Financial Instruments (Continued)

With respect to the Group's derivative financial instruments which is in the form of forward contracts and currency swap, a 5% increase/ decrease in relation to USD and EURO of each of the currencies underlying such contracts would have resulted in increase/decrease of ₹102.85 crores (₹74.98 crores) in the Group's net profit and ₹143.62 crores (₹70.57 crores) in cash flow hedge reserve from such contracts as at 31st March, 2023 and 31st March, 2022 respectively.

With respect to the parent company's non-derivative financial instruments, a 5% increase/ decrease in relation to USD & EURO on the underlying would have resulted in increase/decrease of ₹62.92 crores (₹51.75 crores) in the Group's net profit for the year ended 31st March, 2023 and 31st March, 2022 respectively.

With respect to the subsidiary's non-derivative financial instruments, a 5% increase/ decrease in relation to the underlying currency would have resulted in increase/decrease of ₹34.27 crores (₹44.78 crores) in the Group's foreign currency translation reserve as at 31st March, 2023 and 31st March, 2022 respectively.

(a2) Interest rate risk:

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Group is exposed to fluctuations in interest rates in respect of foreign currency borrowings and rupee borrowings.

As at 31st March, 2023, the Group has outstanding rupee borrowings of ₹3,541.76 crores and foreign currency borrowings of ₹731.71 crores (USD 89 Mn) with variable rate of interest and ₹1,027.10 crores with fixed rate of interest.

Cash flow risk in respect of variable rate instruments:

A change of 100 basis points in interest rate at the reporting date would have increased/ (decreased) profit by ₹42.73 crores. This analysis assumes that all other variables remains constant and change occurs on reporting date. The year end balances are not representative of the average borrowings during the year.

Fair value risk in respect of fixed rate instruments:

The Company carries borrowings at amortised cost and hence, change in the interest rate at reporting date does not affect statement of profit or loss.

(b) Credit risk:

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Financial instruments that are subject to concentrations of credit risk materially consist of trade receivables, investments and derivative financial instruments.

All trade receivables are subject to credit risk exposure. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country, in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through established policies, controls relating to credit approvals and procedures for continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group does not have significant concentration of credit risk related to trade receivables. There is 1 customer with outstanding balances of more than 10% of outstanding accounts receivable as at 31st March, 2023 and 31st March, 2022.

With respect to investments, the Group limits its exposure to credit risk by generally investing in liquid securities with counterparties depending on their Composite Performance Rankings (CPR) published by CRISIL. Bank deposits are placed with banks with high credit rating. The Group's investment policy lays down guidelines with respect to exposure per counterparty, rating, processes in terms of control and continuous monitoring. The Group therefore considers credit risks on such investments and bank deposits to be negligible.

With respect to derivatives, the Group's forex management policy lays down guidelines with respect to exposure per counter party i.e. with banks with high credit rating, processes in terms of control and continuous monitoring. The fair value of the derivatives are credit adjusted at the period end.

Notes forming part of the Consolidated Financial Statements

37 Financial Instruments (Continued)

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹2,872.90 crores and ₹2,456.52 crores as at 31st March, 2023 and 31st March, 2022 respectively, being the total of the carrying amount of balances with banks, bank deposits, trade receivables, other financial assets and investments excluding equity investments and such financial assets are of good credit quality including those that are past due.

(c) Liquidity risk:

Liquidity risk refers to the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group generates cash flows from operations to meet its financial obligations, maintains adequate liquid assets in the form of cash and cash equivalents and has undrawn Short-term line of credits from banks to ensure necessary liquidity.

Contractual maturities of significant financial liabilities are as below:

(₹ in crores)

As at 31st March, 2023	Due in Year 0 to 1	Due in Year 1 to 2	Due in Year 3 to 5	Due after Year 5	Total
Trade payables	1,678.80	-	-	-	1,678.80
Borrowings*	2,801.08	826.95	1,205.56	467.00	5,300.59
Other financial Liabilities					
Lease Obligations**	18.33	14.12	20.51	18.30	71.26
Others	341.77	11.76	-	-	353.53
Derivative financial liabilities	79.21	9.11	-	-	88.32
Total	**4,919.19**	**861.94**	**1,226.07**	**485.30**	**7,492.50**

(₹ in crores)

As at 31st March, 2022	Due in Year 0 to 1	Due in Year 1 to 2	Due in Year 3 to 5	Due after Year 5	Total
Trade payables	1,674.44	-	-	-	1,674.44
Borrowings*	1,894.89	1,018.51	1,109.20	-	4,022.60
Other financial Liabilities					
Lease Obligations**	14.73	9.84	13.11	13.87	51.55
Others	251.56	5.04	-	-	256.60
Derivative financial liabilities	27.71	-	-	-	27.71
Total	**3,863.33**	**1,033.39**	**1,122.31**	**13.87**	**6,032.90**

*Excluding amortised cost adjustment

**Maturity profile of the Company's lease obligations based on contractual undiscounted payments:

(₹ in crores)

	Due in Year 0 to 1	Due in Year 1 to 2	Due in Year 3 to 5	Due after Year 5	Total
As at 31st March, 2023	20.71	18.83	23.93	22.14	85.61
As at 31st March, 2022	14.41	11.21	15.07	22.75	63.44

(iv) Capital management

The capital structure of the Group consists of equity, debt, cash and cash equivalents. The Group's objective for capital management is to maintain the capital structure which will support the Group's strategy to minimise shareholder's value, safeguarding the business continuity and help in supporting the growth of the Group.

Notes forming part of the Consolidated Financial Statements

38 Exceptional Items

(a) Reversal of Deferred Tax Liability recorded on acquisition date

During the year, the Group acquired 100% of the equity shares of Curatio Health Care (I) Private Limited ("Curatio") and its two wholly owned subsidiaries, Curatio Inc., Philippines and Curatio International Lanka (PVT) Ltd., Sri Lanka on 14th October, 2022 for a total consideration of ₹2,000 crores. This was determined to be a business combination as per Ind AS 103. Accordingly, the Group recognised the fair values of the identifiable net assets and liabilities as at the date of acquisition (refer note 41). Pursuant to such recognition of assets and liabilities at fair value, the Group recognised a deferred tax liability, amounting to ₹458.52 crores, for difference between book base and tax base with a corresponding effect as part of Goodwill.

Subsequently, the parent Company applied to the National Company Law Tribunal ('NCLT') for merger of the Curatio. On 17th May, 2023, the Group received the order of the merger with parent Company resulting in alignment between book base and its tax base. Consequently, the deferred tax liability and the corresponding goodwill so recognised on the acquisition date were reversed.

The transaction being non-recurring in nature is disclosed as exceptional item.

(b) Impairment of assets

The management has assessed the financial viability of its liquid business taking into account the potential revenues from the current marketed products, time required for bringing the pipeline products into the market, the increase in competition intensity over the last few years and the incremental investments required over the foreseeable future. The management's assessment indicates that the incremental investments required will exceed the economic benefits over the foreseeable future and therefore it would be prudent to discontinue the liquid facility operations. Based on the management judgement and best estimate assumptions of the fair value of the assets of liquid facility, impairment provision in the consolidated statement of profit and loss aggregating to ₹439.02 crores during the year ended 31st March, 2022 as below:

(₹ in crores)

	Year ended 31st March, 2022
Tangible assets	266.07
Capital work-in-progress	6.95
Intangible assets	6.08
Intangible assets under development	75.42
Goodwill	84.50
Total	**439.02**

The impairment loss has been determined by considering assets of liquid facility, intangible assets including assets under development and corresponding goodwill as a cash generating unit (CGU). Recoverable amount (i.e. higher of value in use and fair value less cost to sell) of CGU was compared to carrying value and impairment amount was arrived.

Other costs:

During the year ended 31st March, 2022, the Group had considered provision for expenses of ₹45.68 crores including write down of inventory, certain contractual obligations and failure to supply expenses related to discontinuation of liquid facility.

Notes forming part of the Consolidated Financial Statements

39 Related Parties and Transactions

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

(₹ in crores)

	Holding Company		Key Management Personnel/ Independent Directors		Other related parties		Total	
(a) Nature of Transactions	**2022-23**	**2021-22**	**2022-23**	**2021-22**	**2022-23**	**2021-22**	**2022-23**	**2021-22**
Remuneration to key management personnel/ Independent Directors*	-	-	35.27	27.53	-	-	35.27	27.53
Remuneration	-	-	-	-	1.68	2.24	1.68	2.24
Contribution to gratuity/ superannuation trust	-	-	-	-	55.23	38.25	55.23	38.25
Lease rent paid	0.02	0.02	-	-	-	-	0.02	0.02
Services received	-	-	-	-	20.35	18.26	20.35	18.26
Sales commission	-	-	-	-	-	2.70	-	2.70
Donation	-	-	-	-	7.00	7.50	7.00	7.50
CSR Expenditure	-	-	-	-	24.96	20.93	24.96	20.93
Interest income	-	-	-	-	0.03	0.03	0.03	0.03
Expenses reimbursement	-	-	-	-	-	0.16	-	0.16
Purchase of property, plant and equipments	-	-	-	-	0.96	-	0.96	-
Sale of property, plant and equipments (earlier classified as held for sale)	-	-	-	-	153.53	-	153.53	-
Recovery of expenses	-	-	-	-	0.07	-	0.07	-
Transfer (in)/ out of employees (net)	-	-	-	-	-	0.60	-	0.60
(b) Balances at the end of the year	**31st March, 2023**	**31st March, 2022**	**31st March, 2023**	**31st March, 2022**	**31st March, 2023**	**31st March, 2022**	**31st March, 2023**	**31st March, 2022**
Security deposit receivable	-	-	-	-	0.66	0.66	0.66	0.66
Investment in equities	-	-	-	-	0.05	0.05	0.05	0.05
Trade payables	-	-	-	-	1.60	2.20	1.60	2.20
Other payables	-	-	26.04	21.01	-	-	26.04	21.01
Advances to gratuity trust	-	-	-	-	0.21	0.21	0.21	0.21
Guarantees given **	-	-	-	-	1.33	1.33	1.33	1.33

* Excluding provision for gratuity and leave benefits, insurance premium for group personal accident and group mediclaim.

** Net Guarantees (withdrawal)/ given for 2022-23 ₹NIL (Previous year: ₹1.33 crores) in respect of other related parties.

Name of holding Company:

1	Holding Company	Torrent Investments Private Limited

Terms and conditions of transactions with related parties

All related party transactions entered during the year were in ordinary course of the business and are on an arm's length basis. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

Notes forming part of the Consolidated Financial Statements

39 Related Parties and Transactions (Continued)

(c) Remuneration to Key Management Personnel/Independent Directors:

(₹ in crores)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Salaries and other benefits	7.25	5.37
Contribution to defined contribution plan	0.69	0.44
Commission	26.40	21.13
Sitting Fees	0.93	0.59
Total	**35.27**	**27.53**

40 Commitments and Contingencies

(₹ in crores)

	As at 31st March, 2023	As at 31st March, 2022
Commitments:		
Estimated amount of contracts remaining unexecuted on capital account (net of advances) not provided for	468.18	376.61
	468.18	**376.61**
Contingent liabilities:		
(a) Claims against the Company not acknowledged as debts:		
Disputed demand of income tax for which appeals have been preferred	1.60	1.46
Disputed employee state insurance contribution liability under E.S.I. Act, 1948	16.08	15.50
Disputed demand of goods and service tax/excise	121.95	100.81
Disputed demand of local sales tax and C.S.T	0.24	0.24
Disputed demand of stamp duty	3.43	3.43
Disputed cases at labour court/industrial court	7.28	7.05
Disputed bonus liability under Payment of Bonus (Amendment) Act, 2015	0.25	0.25
	150.83	**128.74**

In most of the cases above, the relevant authorities have raised a demand or disallowed/deducted the relevant taxes. The Group has preferred an appeal and the outcome is awaited.

Against the claims not acknowledged as debts, the Company has paid ₹3.96 crores (Previous year: ₹3.84 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 and/or its subsidiaries are involved in certain legal proceedings, including product liability and other commercial matters, that arise from time to time in the ordinary course of business. It is difficult to ascertain the financial effect, if any, of such proceedings that will result from its ultimate disposition due to involvement of complex issues with substantial uncertainties and without any precedents. Additionally, many factors like stage of the proceedings, overall length and extent of discovery process; the entitlement of the parties to an action to appeal a decision; the extent of the claims; the possible need for further legal proceedings to establish the appropriate amount of damages, if any; the settlement posture of the other parties to the litigation; uncertainty in timing of litigation and any other factors that may have an implications on the ultimate outcome of the ongoing litigations. The Company assesses likely outcome based on internal assessment as well as considers views of legal counsel representing the Company. Moreover, Company carries product liability insurance policy of amount which it believes to be sufficient for its needs.

Notes forming part of the Consolidated Financial Statements

40 Commitments and Contingencies (Continued)

(c) In view of amendment in Section 37(1) of Income Tax Act, 1961 introduced in Finance Act, 2022, it is possible that the Company may get involved in the litigation on allowability of certain expenses in relation to the years for which assessment proceedings have not commenced. It is difficult to ascertain the financial effects from such future proceedings, if any, that will result in to its ultimate disposition. The Company assesses likely outcome based on internal assessment as well as considers views of external consultants representing the Company.

41 Acquisition and Amalgamation of Curatio Health Care (I) Private Limited

On 14th October, 2022, the Parent Company acquired 100% shares in Curatio Health Care (I) Private Limited ('Curatio'), including its two subsidiaries for a consideration of ₹2,000 crores. Curatio has presence in the cosmetic dermatology segment with a portfolio of over 50 brands, marketed in India.

The Board of Directors of the Parent Company, at its meeting held on 21st December, 2022, had approved the Scheme of Arrangement in the nature of Amalgamation ('Scheme'), of Curatio with the parent Company subject to requisite statutory and regulatory approvals. The scheme was approved by the National Company Law Tribunal ('NCLT'), Ahmedabad Bench vide its order dated 17th May, 2023 and the certified copy of said order was filed with Registrar of Companies on 25th May, 2023. The management has determined this as a subsequent adjusting event in accordance with Ind AS 10 and hence, Curatio has been amalgamated with effect from appointed date of 14th October, 2022.

Identifiable assets acquired and liabilities assumed

The parent Company has accounted for the transaction in accordance with Ind AS 103, "Business Combinations", and fair value of identifiable assets acquired and liabilities assumed as at appointed date pertaining to Curatio has been recognised in the consolidated financial statements of the Group based on purchase price allocation as determined by independent valuer.

The following table summarises the recognised amounts of identifiable assets acquired and liabilities assumed after consideration of adjustments relating to deferred tax liability and consequential goodwill (Refer Note 38) at the date of acquisition;

(₹ in crores)

	As at 14th October, 2022
Property, plant and equipment	1.87
Intangible assets	
Brands/Trademarks	1,799.50
Non-compete fees	31.10
Computer Software	0.07
Other Financial Assets - Non-Current	0.17
Non-current Tax assets	5.69
Deferred tax assets	5.01
Other non-current assets	0.01
Other Current Assets	
Cash and cash equivalents	58.83
Other current assets and inventories	103.60
Total Assets	**2,005.85**
Non-current liabilities	11.70
Current liabilities	71.77
Total Liabilities	**83.47**
Net Asset Acquired	**1,922.38**

Notes forming part of the Consolidated Financial Statements

41 Acquisition And Amalgamation of Curatio Health Care (I) Private Limited (Continued)

Goodwill arising from the acquisition has been recognised as follows

	(₹ in crores)
Purchase consideration (paid in cash)	2,000.00
Fair value of identified net assets on acquisition date	1,922.38
Goodwill (non-deductible for tax purpose)*	**77.62**

* Goodwill represents value of acquisition synergies.

Measurement of fair values

Fair value of identifiable intangible assets acquired has been determined by an independent valuer. Fair value of other assets, including receivables, has been considered same as the carrying value of these assets as of the acquisition date in the books of Curatio.

Revenues and Profit or Loss of Acquiree entity

The revenue of Curatio and its subsidiaries from 14th October, 2022 to 31st March, 2023 is ₹128.02 crores with Profit before Tax (PBT) of ₹35.63 crores.

Revenues and Profit or Loss of combined entity

Assuming the business combination had occurred from the beginning of reporting period i.e. 1st April, 2022, the combined revenue of the Company would be ₹9,761.54 crores with Profit before Tax (PBT) of ₹1,747.72 crores.

42 Corporate Social Responsibility (CSR) Expenditure

(₹ in crores)

		Year ended 31st March, 2023	Year ended 31st March, 2022
(a)	Gross amount required to be spent by the Company	26.14	22.65
(b)	Amount approved by the Board to be spent during the year	26.20	23.00
(c)	Amount spent during the year on		
	(i) Construction/acquisition of any asset	-	-
	(ii) On purposes other than (i) above	26.20	23.00
		26.20	**23.00**
(d)	Shortfall at the end of the year	-	-
(e)	Total of Previous year shortfall	-	-
(f)	Reason for shortfall	Not Applicable	Not Applicable
(g)	Contribution to Section 8 companies, which are related parties, included in (c) above, in relation to CSR expenditure*	24.96	20.93
(h)	Nature of CSR activites: Community Healthcare, Sanitation and Hygine, Social Care and Concern, Education and Knowlegde Enhancement		

*Unspent amount as at 31st March, 2023 is ₹21.43 crores (31st March, 2022 ₹17.21 crores) has been transferred to special bank account specified under section 135 (6) of the Companies Act, 2013.

Gross amount required to be spent by Curatio (merged with the parent Company with effect from 14th October, 2022) was ₹0.68 crores for the year ended 31st March, 2023 and the same has been fully spent during the year. Further, actual spent on CSR activities for the period from 14th October, 2022 to 31st March, 2023 amounts to ₹0.53 crores which has been included in the Corporate social responsibility expenditure of the group under other expenses in the consolidated statement of profit and loss.

Notes forming part of the Consolidated Financial Statements

43 Relationship with Struckoff Companies

The Company has balances of ₹0.03 crores as of 31st March, 2023 (Previous year: ₹0.03 crores) with respect to four companies, which are struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

44 Non-Current Assets Held for Sale

During the year, the carrying value of liquid facility as described in Note 38 has been classified as “Non-current assets held for sale”. The same is considered to be highly probable and is expected to be sold within one year from the date of classification.

During the year, the Parent Company has disposed off its Land at Shilaj, Ahmedabad and recognised gain of ₹22.53 crores.

45 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. The Group has not received any funds from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Group shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

46 Proposed Dividend

The Board of Directors in their meeting held on 30th May, 2023 recommended a final equity dividend of ₹8/- per equity share.

47 The consolidated financial statements for the year ended 31st March, 2023 were approved for issue by the Board of Directors on 30th May, 2023.

48 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

(a) As at and for the year ended 31st March, 2023

Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As% of consolidated net assets	₹ in crores	As% of consolidated profit or loss	₹ in crores	As% of consolidated other comprehensive income	₹ in crores	As% of consolidated total comprehensive income	₹ in crores
Parent								
Torrent Pharmaceuticals Limited (Net of Consolidation Adjustments)	98.85%	6,126.59	80.50%	1,002.39	53.99%	(74.01)	83.78%	928.38
Subsidiaries								
Foreign								
Zao Torrent Pharma	0.95%	58.89	2.13%	26.49	1.23%	(1.68)	2.24%	24.81
Torrent Do Brasil Ltda.	4.53%	281.07	5.95%	74.09	(1.16%)	1.59	6.83%	75.68
Torrent Pharma Gmbh	1.02%	63.10	1.26%	15.64	(0.48%)	0.66	1.47%	16.30
Torrent Pharma Inc.	(13.26%)	(821.18)	1.45%	18.23	58.09%	(79.63)	(5.54%)	(61.40)
Torrent Pharma Philippines Inc.	1.53%	94.62	(0.08%)	(1.05)	(1.44%)	1.98	0.08%	0.93

Notes forming part of the Consolidated Financial Statements

48 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013 **(Continued)**

Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As% of consolidated net assets	₹ in crores	As% of consolidated profit or loss	₹ in crores	As% of consolidated other comprehensive income	₹ in crores	As% of consolidated total comprehensive income	₹ in crores
Laboratorios Torrent, S.A. De C.V.	1.13%	70.09	1.79%	22.30	(6.09%)	8.35	2.77%	30.65
Torrent Australasia Pty. Ltd.	0.01%	0.35	(0.00%)	(0.03)	(0.01%)	0.01	(0.00%)	(0.02)
Torrent Pharma (UK) Ltd.	(1.13%)	(70.00)	1.63%	20.31	1.80%	(2.47)	1.61%	17.84
Torrent Pharma (Thailand) Co., Ltd.	0.02%	1.38	(0.03%)	(0.38)	(0.06%)	0.08	(0.03%)	(0.30)
Laboratories Torrent (Malaysia) SDN.BHD.	0.29%	17.87	0.35%	4.34	(0.14%)	0.19	0.41%	4.53
TPL (Malta) Ltd.	0.14%	8.42	(0.01%)	(0.08)	15.38%	(21.08)	(1.91%)	(21.16)
Heumann Pharma Gmbh & Co. Generica KG	3.63%	224.71	4.17%	51.94	(5.63%)	7.72	5.38%	59.66
Heunet Pharma Gmbh	1.84%	114.08	1.25%	15.54	(1.61%)	2.21	1.60%	17.75
Torrent Pharma (Malta) Ltd.	0.42%	26.21	(0.33%)	(4.09)	(16.46%)	22.56	1.67%	18.47
Curatio Inc., Philippines	0.03%	2.04	(0.01%)	(0.10)	(0.09%)	0.12	0.00%	0.02
Curatio International Lanka (PVT) Ltd.	(0.00%)	(0.17)	(0.02%)	(0.31)	2.68%	(3.67)	(0.36%)	(3.98)
Total	**100.00%**	**6,198.07**	**100.00%**	**1,245.23**	**100.00%**	**(137.07)**	**100.00%**	**1,108.16**

(b) As at and for the year ended 31st March, 2022

Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As% of consolidated net assets	₹ in crores	As% of consolidated profit or loss	₹ in crores	As% of consolidated other comprehensive income	₹ in crores	As% of consolidated total comprehensive income	₹ in crores
Parent								
Torrent Pharmaceuticals Limited (Net of Consolidation Adjustments)	101.84%	6,062.39	137.55%	1,068.78	6.60%	0.76	135.60%	1,069.54
Subsidiaries								
Foreign								
Zao Torrent Pharma	0.57%	34.10	0.31%	2.41	(15.09%)	(1.74)	0.08%	0.67
Torrent Do Brasil Ltda.	3.45%	205.38	8.32%	64.68	115.96%	13.37	9.90%	78.05
Torrent Pharma Gmbh	0.79%	46.79	(1.54%)	(12.00)	1.47%	0.17	(1.50%)	(11.83)
Torrent Pharma Inc.	(12.76%)	(759.73)	(56.83%)	(441.65)	(141.20%)	(16.28)	(58.06%)	(457.93)
Torrent Pharma Philippines Inc.	1.57%	93.70	2.54%	19.76	(10.67%)	(1.23)	2.35%	18.53

Notes forming part of the Consolidated Financial Statements

48 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013 (Continued)

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As% of consolidated net assets	₹ in crores	As% of consolidated profit or loss	₹ in crores	As% of consolidated other comprehensive income	₹ in crores	As% of consolidated total comprehensive income	₹ in crores
Laboratorios Torrent, S.A. De C.V.	0.66%	39.43	1.24%	9.65	17.35%	2.00	1.48%	11.65
Torrent Australasia Pty. Ltd.	0.01%	0.37	0.00%	0.03	0.17%	0.02	0.01%	0.05
Torrent Pharma S.R.L.	-	-	0.34%	2.65	(3.04%)	(0.35)	0.29%	2.30
Torrent Pharma (UK) Ltd.	(1.47%)	(87.78)	(6.08%)	(47.24)	19.34%	2.23	(5.71%)	(45.01)
Torrent Pharma (Thailand) Co., Ltd.	0.03%	1.68	0.03%	0.27	(0.35%)	(0.04)	0.03%	0.23
Laboratories Torrent (Malaysia) SDN.BHD.	0.22%	13.37	0.30%	2.31	0.87%	0.10	0.31%	2.41
Torrent Pharma France S.A.S.	-	-	(0.01%)	(0.04)	(4.08%)	(0.47)	(0.06%)	(0.51)
TPL (Malta) Ltd.	0.14%	8.50	(0.01%)	(0.09)	0.35%	0.04	(0.01%)	(0.05)
Heumann Pharma Gmbh & Co. Generica KG	3.24%	193.15	9.07%	70.52	132.87%	15.32	10.88%	85.84
Heunet Pharma Gmbh	1.58%	93.85	4.82%	37.49	(19.86%)	(2.29)	4.46%	35.20
Torrent Pharma (Malta) Ltd.	0.13%	7.75	(0.05%)	(0.35)	(0.69%)	(0.08)	(0.05%)	(0.43)
Total	**100.00%**	**5,952.95**	**100.00%**	**777.18**	**100.00%**	**11.53**	**100.00%**	**788.71**

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Sadashiv Shetty
Partner
Membership No. 048648

Mumbai

30th May, 2023

For and on behalf of the Board of Directors

Samir Mehta
Executive Chairman
DIN: 00061903

Sudhir Menon
Executive Director (Finance) & Chief Financial Officer

Chintan Trivedi
Company Secretary

Mumbai

30th May, 2023

(A) Form AOC-1: Statement containing salient features of the financial statement of subsidiaries/joint ventures pursuant to first proviso to sub-Section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014:

Part "A": Subsidiaries

(₹ in crores)

Sr. No.	Name of the subsidiary	Date of acquisition	Reporting currency	Exchange Rate	Share capital	Reserves and surplus	Total assets	Total liabilities	Invest-ments	Turnover*	Profit before taxation*	Provision for taxation*	Profit after taxation*	Proposed Dividend*
1	Zao Torrent Pharma	Not Applicable	Rouble	1.0666	0.25	55.39	86.89	31.25	-	162.51	25.40	5.09	20.31	-
2	Torrent Do Brasil Ltda.	31.05.2001	Reais	16.1832	30.98	225.39	658.14	401.77	-	926.93	91.51	32.17	59.34	-
3	Torrent Pharma Gmbh	Not Applicable	Euro	89.6076	0.22	83.94	192.69	108.53	52.29	3.55	27.82	13.45	14.37	-
4	Torrent Pharma Inc.	Not Applicable	USD	82.2169	9.87	(830.66)	1,307.14	2,127.93	-	1,104.65	(1.75)	(2.57)	0.82	-
5	Torrent Pharma Philippines Inc.	Not Applicable	Pesos	1.5105	5.82	89.92	182.97	87.23	-	181.27	(1.61)	(0.05)	(1.56)	-
6	Laboratorios Torrent, S.A. De C.V.	Not Applicable	Mxn$	4.5441	33.96	36.77	95.94	25.21	-	117.46	27.64	6.11	21.53	-
7	Torrent Australasia Pty. Ltd.	Not Applicable	Au$	55.1840	0.48	(0.13)	0.67	0.32	-	0.56	(0.01)	-	(0.01)	-
8	Torrent Pharma (Thailand) Co., Ltd.	Not Applicable	THB	2.4114	2.87	(1.48)	1.73	0.34	-	0.52	(0.38)	-	(0.38)	-
9	Torrent Pharma (UK) Ltd.	Not Applicable	GBP	101.8728	2.29	(79.33)	175.35	252.39	-	196.60	18.53	(0.94)	19.47	-
10	Laboratories Torrent (Malaysia) SDN.BHD.	Not Applicable	MYR	18.6011	1.86	16.17	34.85	16.82	-	88.95	5.10	1.04	4.06	-
11	Heumann Pharma Gmbh & Co. Generica KG	03.07.2005	Euro	89.6076	0.10	220.21	1,425.57	1,205.26	-	816.99	58.43	16.59	41.84	29.29
12	Heunet Pharma Gmbh	Not Applicable	Euro	89.6076	0.22	116.03	549.09	432.84	-	208.93	25.92	8.45	17.47	-
13	TPL (Malta) Limited	Not Applicable	Euro	89.6076	31.41	(0.19)	31.24	0.02	30.96	-	(0.09)	-	(0.09)	-
14	Torrent Pharma(Malta) Ltd.	Not Applicable	Euro	89.6076	30.96	(4.75)	41.98	15.77	-	-	(4.09)	-	(4.09)	-
15	Curatio Inc., Philippines	14.10.2022	Pesos	1.5105	16.44	(14.38)	3.01	0.95	-	2.17	(0.05)	0.03	(0.08)	-
16	Curatio International Lanka (PVT) Ltd.	14.10.2022	LKR	0.2447	5.22	(5.40)	0.88	1.06	-	0.01	(0.31)	-	(0.31)	-

Note:

i. % of shareholding in all subsidiaries either directly or through its subsidiaries is 100%.

ii. Torrent Australasia Pty. Ltd. and Torrent Pharma (Malta) Limited are yet to commence their operations.

* Converted using average exchange rates prevailing during the year.

(A) Form AOC-1: Statement containing salient features of the financial statement of subsidiaries/joint ventures pursuant to first proviso to sub-Section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014: (Continued)

Part "B": Associates and Joint Ventures

(₹ in crores)

Sr. No.	Name of Associates or Joint Venture	Date of acquisition	Latest Audited Balance Sheet Date	Shares of Associate or Joint Venture held by the Company			Description of how there is significant influence	Reason why the Joint venture is not consolidated	Net worth attributable to shareholding as per latest audited Balance Sheet	Profit/Loss for the year	
				No. of shares	Amount of investment	Extent of Holding%				Considered in Consolidation	Not considered in Consolidation
1	UNM Foundation	Not Applicable	Refer Note below								

Note: UNM Foundation (UNM) is a company incorporated under Section 8 of the Companies Act, 2013 and this company is prohibited to give any right over its profits to the members. In view of restrictions on Section 8 companies, the parent Company's proportionate share in UNM has not been considered in consolidated financial statement.

In accordance with Section 136 of the Companies Act, 2013, the annual audited accounts of each of the subsidiaries shall be made available to the shareholders of the Company seeking such information at any point in time. Further, in accordance with the aforementioned section, the audited financial statements, including the Consolidated Financial Statement and related information of the Company and audited accounts of each of its subsidiaries, are available on our website: www.torrentpharma.com. These documents will also be available for inspection at our registered office during normal business hours (10:00 a.m. to 6:00 p.m.) on working days, except second and fourth Saturdays, Sundays and public holidays upto and including the date of Annual General Meeting of the Company.

For and on behalf of the Board of Directors

Samir Mehta
Executive Chairman
DIN: 00061903

Sudhir Menon
Executive Director (Finance) & Chief Financial Officer

Chintan Trivedi
Company Secretary

Mumbai
30th May, 2023

Five Year Financial Highlights

(₹ in crores)

CONSOLIDATED	2022-23	2021-22	2020-21	2019-20	2018-19
SALES, PROFIT AND DIVIDEND					
Revenue	9,620	8,508	8,005	7,939	7,673
EBITDA	2,872	2,621	2,532	2,284	2,025
EBIT	2,166	1,959	1,874	1,629	1,406
Profit before exceptional items and tax (PBT)	1,847	1,711	1,526	1,187	919
Profit after tax (PAT)	1,245	777	1,252	1,025	436
Dividend for the year	745	812	592	542	288
Total dividend per share (₹)	22.00	48.00	35.00	32.00	17.00
Special dividend per share (₹)	-	15.00	-	15.00	-
Normal dividend (interim dividend and proposed final dividend) per share (₹)	22.00	33.00	35.00	17.00	17.00
FINANCIAL POSITION					
Equity share capital	169	85	85	85	85
Other equity	6,029	5,868	5,753	4,739	4,640
Long-term borrowings	3,532	3,095	4,121	4,694	5,104
Capital employed	9,730	9,048	9,959	9,518	9,829
Gross block	13,577	11,358	11,401	11,046	10,553
Net block	8,887	7,052	7,954	8,245	8,365
Net current assets	(134)	750	630	(475)	(128)
RETURN					
On revenue (PBT)%	19%	20%	19%	15%	12%
On capital employed (EBIT)%	22%	21%*	19%	17%	14%
On shareholder's fund (PAT)%	20%	18%*	21%	21%	9%
Earnings per share (₹)**	36.79	22.96	36.99	30.28	12.89
Earnings per share before exceptional item net of tax (₹)**	36.79	34.28	36.99	30.28	21.23

* Adjusted for exceptional items

** Adjusted for previous years on account of bonus shares issued during the year 2022-23

GRI Content Index

Statement of Use	Torrent Pharma has reported in accordance with the GRI Standards for the period between 1st April 2022 to 31st March 2023.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Setor Standard(s)	None

GRI Standard No.	Disclosure	Location	
		Section	Page No.
GRI 2: General Disclosures 2021			
The organization and its reporting practices	2-1 Organizational details	About Torrent Pharma	6
	2-2 Entities included in the organization's sustainability reporting	About the Report	2
	2-3 Reporting period, frequency and contact point	About the Report	2
Activities and workers	2-6 Activities, value chain and other business relationships	About Torrent Pharma	6-15
	2-7 Employees	Business Responsibility and Sustainability Report	149
	2-8 Workers who are not employees	Business Responsibility and Sustainability Report	149
Governance	2-9 Governance structure and composition	Board of Directors	20-21
	2-10 Nomination and selection of the highest governance body	Report on Corporate Governance	192
	2-11 Chair of the highest governance body	Report on Corporate Governance	187
	2-12 Role of the highest governance body in overseeing the management of impacts	Report on Corporate Governance	187
	2-13 Delegation of responsibility for managing impacts	Report on Corporate Governance	187
	2-15 Conflicts of interest	Performance Highlights	5
	2-17 Collective knowledge of the highest governance body	Report on Corporate Governance	186
	2-19 Remuneration policies	Report on Corporate Governance	194
	2-20 Process to determine remuneration	Report on Corporate Governance	194
	2-21 Annual total compensation ratio	Report on Corporate Governance	195
Strategy, policies and practices	2-22 Statement on sustainable development strategy	Executive Chairman's Message	18-19
	2-23 Policy commitments	Business Responsibility and Sustainability Report	155-156
	2-24 Embedding policy commitments	Business Responsibility and Sustainability Report	155-156
	2-27 Compliance with laws and regulations	Business Responsibility and Sustainability Report	156
	2-28 Membership associations	Business Responsibility and Sustainability Report	181
Stakeholder engagement	2-29 Approach to stakeholder engagement	Stakeholder Engagement	38-39

GRI Standard No.	Disclosure	Location	
		Section	Page No.
Material Topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Assessment	40-41
	3-2 List of material topics	Materiality Assessment	40-41
Economic Performance			
GRI 201: Economic Performance 2016	3-3 Management of material topics	Financial Capital	58
	201-1 Direct economic value generated and distributed	Standalone Financial Statements	225
GRI 203: Indirect Economic Impacts 2016	3-3 Management of material topics	Social and Relationship Capital	82-83
	203-2 Significant indirect economic impacts	Social and Relationship Capital	84-91
GRI 207: Tax 2019	3-3 Management of material topics	Standalone Financial Statements	237
	207-1 Approach to tax	Standalone Financial Statements	237, 255
Environmental Performance			
GRI 302: Energy 2016	3-3 Management of material topics	Natural Capital	93
	302-1 Energy consumption within the organization	Natural Capital	95
	302-4 Reduction of energy consumption	Natural Capital	92
GRI 303: Water and Effluents 2018	3-3 Management of material topics	Natural Capital	96
	303-3 Water withdrawal	Natural Capital	97
	303-4 Water discharge	Natural Capital	97
	303-5 Water consumption	Natural Capital	97
GRI 305: Emissions 2016	3-3 Management of material topics	Natural Capital	93
	305-1 Direct (Scope 1) GHG emissions	Natural Capital	94
	305-2 Energy indirect (Scope 2) GHG emissions	Natural Capital	94
	305-5 Reduction of GHG emissions	Natural Capital	92
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Natural Capital	96
GRI 306: Waste 2020	3-3 Management of material topics	Natural Capital	97
	306-3 Waste generated	Natural Capital	99
	306-4 Waste diverted from disposal	Natural Capital	92
	306-5 Waste directed to disposal	Natural Capital	99

GRI Standard No.	Disclosure	Location	
		Section	Page No.
Social Performance			
GRI 403: Occupational Health and Safety 2018	3-3 Management of material topics	Human Capital	78
	403-1 Occupational health and safety management system	Human Capital	78-79
	403-2 Hazard identification, risk assessment, and incident investigation	Human Capital	80
	403-4 Worker participation, consultation, and communication on occupational health and safety	Human Capital	78
	403-5 Worker training on occupational health and safety	Human Capital	78-79
	403-8 Workers covered by an occupational health and safety management system	Human Capital	78
	403-9 Work-related injuries	Human Capital	80
GRI 404: Training and Education 2016	3-3 Management of material topics	Human Capital	73
	404-2 Programs for upgrading employee skills and transition assistance programs	Human Capital	74
GRI 405: Diversity and Equal Opportunity 2016	3-3 Management of material topics	Human Capital	77
	405-1 Diversity of governance bodies and employees	Human Capital	77
GRI 413: Local Communities 2016	3-3 Management of material topics	Social and Relationship Capital	82-83
	413-1 Operations with local community engagement, impact assessments, and development programs	Social and Relationship Capital	84-91

Glossary of Abbreviations

AAP	Annual Action Plan
AD	Anti-Diabetes
ADR	Adverse Drug Reaction
AGES	Austrian Agency for Health and Food Safety GmbH
AGM	Annual General Meeting
AI	Artificial Intelligence
AIOCD	All Indian Origin Chemists & Distributors
ANDA	Abbreviated New Drug Application
ANVISA	Agencia Nacional de Vigilancia Sanitaria
AP	Active Pharmaceutical Ingredient
ASEAN	Association of Southeast Asian Nations
BGx	Branded Generics
BSE	Bombay Stock Exchange
BS	Bharat Stage
CAGR	Compound Annual Growth Rate
CAPA	Corrective Action and Preventive Action
CDMO	Contract Development and Manufacturing Organisation
CFR	Code of Federal Regulations
CIP	Clean In Place
CIS	Commonwealth of Independent States
CME	Continuous Medical Education
CNS	Central Nervous System
CO2	Carbon Dioxide
COSO	Committee of Sponsoring Organizations
CRO	Chief Risk Officer
CSR	Corporate Social Responsibility
CSRS	Corporate Social Responsibility and Sustainability
CV	Cardiovascular
DCGI	Drug Controller General of India
DG	Diesel Generator
DKMA	Danish Medicines Agency
DPS	Dividend per Share
DST	Department of Science and Technology
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortization
ELN	Electronic Lab Notebook
ENT	Ears, Nose and Throat
EPS	Earning Per Share
ERM	Enterprise Risk Management
ERP	Enterprise Resource Planning
ESG	Environment, Social and Governance
ETP	Effluent Treatment Plant
EU	European Union
FCF	Free Cash Flows
FDC	Fixed Dosage Combinations
FSSAI	The Food Safety and Standards Authority of India
GDP	Good Documentation Practices
GDUFA	Generic Drug User Fee Amendment
GHG	Greenhouse Gas
GI	Gastro-Intestinal
GJ	Gigajoules
GI	Gastrointestinal
GLP	Good Laboratory Practices
GM	General Manager
GMP	Good Manufacturing Practices
GRI	Global Reporting Initiative
GSEB	Gujarat Secondary Education Board
Gx	Generics
HIS	Health Information System
HR	Human Resources
HSD	High-Speed Diesel
HSE	Health, Safety and Environment
HVAC	Heating Ventilation and Air Conditioning
IIRC	International Integrated Reporting Council
INGO	International Non-Governmental organization
IP	Intellectual Property
IPA	Indian Pharmaceutical Alliance
IPM	India Pharma Market
IR	Integrated Report
ISO	International Organization for Standardization
IT	Information Technology
KPI	Key Performance Indicators
KWH	Kilowatt-Hour
LATAM	LATin America
LED	Light Emitting Diodes
LOE	Losses of Exclusivity
LSHS	Low Sulphur Heavy Stock
LTIFR	Lost Time Injury Frequency Rate
MAT	Minimum Alternate Tax
MBA	Master of Business Administration
MCC	Medicines Control Council
MDP	Management Development Programme
MES	Manufacturing Execution Systems
MIS	Management Information System
Mn	Million
MPP	Medicine Patent Pool
MT	Metric Ton
MW	Mega Watt
NABH	National Accreditation Board for Hospitals & Healthcare Providers
NABL	National Accreditation Board for Testing and Calibration
NCE	New Chemical Entities
NDDS	Novel Drug Delivery System
NGO	Non-Governmental Organization
NICU	Neonatal Intensive Care Unit
NLEM	National List of Essential Medicines
Nox	Nitrogen Oxides
NPAT	Net Profit After Tax
NSE	National Stock Exchange
OECD	Organization for Economic Co-operation and Development
OHC	Occupational Health Centre
OHSAS	Occupational Health and Safety Assessment Series
OPD	Out Patient Department
OSD	Oral Solid Dosage
OT	Operation Theatre
OTC	Over the Counter
P2P	Principle to Principle
PAN	Presence Across Nation
PAT	Profit After Tax
PAT	Process Analytical Technology
PBM	Pharmacy Business Management
PCPM	Per Capita Per Month
PICU	Pediatric Intensive Care Unit
POSH	Prevention of Sexual Harassment
PPHC	Primary Paediatric Health Centres
PHCs	Paediatric Health Centres
PSU	Public Sector Undertakings
PSSR	Pre-Start-up Safety Review
QC	Quality Control
REACH	Reach EAch Child
R&D	Research & Development
RM	Raw Material
RMC	Risk Management Committee
RO	Reverse Osmosis
ROCE	Return on Capital Employed
ROE	Return on Equity
ROW	Rest of the World
RUTF	Ready-To-Use Therapeutic Food
SAP	Systems Applications and Products
SASB	Sustainability Accounting Standards Board
SBT	Soil Biotechnology Plant
SBTi	Science Based Targets initiative
SCP	Second Chance Programme
SGLT-2	Sodium Glucoseco-Transporter-2
SDG	Sustainable Development Goals
SOP	Standard Operating Procedures
SOx	Sulphur Oxides
STP	Sewage Treatment Plant
tCO2e	Tonnes of Carbon Dioxide Equivalent
TJ	Terajoules
TGA	Therapeutic Goods Administration
TSDF	Treatment, Storage, and Disposal Facility
UAE	United Arab Emirates
UK	United Kingdom
UN	SDGs United Nations Sustainable Development Goals
US	The United States
USFDA	United States Food and Drug Administration
VMN	Vitamins Minerals Nutrients
VOC	Volatile Organic Compounds
VP	Vice President
WHO	World Health Organisation

Notice

NOTICE IS HEREBY GIVEN THAT THE FIFTIETH ANNUAL GENERAL MEETING OF THE MEMBERS OF TORRENT PHARMACEUTICALS LIMITED will be held on Monday, 7th August, 2023 at 09:30 AM through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Standalone and Consolidated Financial Statements as at 31st March, 2023 including the Audited Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss for the year ended on that date and reports of the Board of Directors and Auditors thereon.

2. To confirm the payment of interim dividend on equity shares already paid during the financial year ended 31st March, 2023 and to declare final dividend on equity shares for the said financial year.

   The Board of Directors at its meeting held on 25th January, 2023 had declared the interim dividend of ₹ 14.00 per equity share of fully paid up face value of ₹ 5.00 each and in its meeting held on 30th May, 2023 recommended final dividend of ₹ 8 per equity share of fully paid up face value of ₹ 5.00 each for the financial year ended 31st March, 2023.

3. To appoint a Director in place of Samir Mehta (holding DIN 00061903), Director, who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   RATIFICATION OF REMUNERATION OF COST AUDITORS OF THE COMPANY FOR THE YEAR 2023-24

   "**RESOLVED THAT** pursuant to provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof) ("the Act") and the approval by the Board of Directors at their meeting dated 30th May, 2023, the consent of the Company be and is hereby accorded for ratification of the below remuneration to M/s. Kirit Mehta & Co., Cost Accountants as the Cost Auditors of the Company for the financial year 2023-24:

   ₹ 8,80,000/- plus out of pocket expenses & GST as applicable to conduct the audit of the cost accounting records for all the manufacturing facilities of the Company."

5. To consider and if thought fit, to pass the following resolution as a Special Resolution:

   ISSUANCE OF EQUITY SHARES INCLUDING CONVERTIBLE BONDS / DEBENTURES

   "**RESOLVED THAT** pursuant to the provisions of Sections 23, 42, 62 and 71 and other applicable provisions, if any, of the Companies Act, 2013 and the applicable rules made thereunder, Foreign Exchange Management Act, 1999, Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI Regulations"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Listing Agreements entered into by the Company with the stock exchanges where equity shares of the Company of face value ₹ 5 each are listed, enabling provisions of the Memorandum and Articles of Association of the Company, the Depository Receipts Scheme, 2014, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, and any statutory modification(s), re-enactment(s) or amendments to the above mentioned laws, regulations, rules and schemes and clarifications issued thereon from time to time and subject to other applicable laws, rules, regulations, guidelines, notifications and circulars issued by various competent authorities / bodies, whether in India or abroad and subject to such approvals, consents, permissions and sanctions of the Securities and Exchange Board of India ("SEBI"), Government of India ("GOI"), Reserve Bank of India ("RBI"), Ministry of Corporate Affairs, Regional Director, Registrar of Companies ("RoC") and all other appropriate and / or competent authorities or bodies whether in India or abroad to the extent applicable and subject to such conditions and modifications, as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred as "Board" which term shall include any Committee thereof which the Board may have constituted to exercise its powers including the powers conferred by this Resolution), consent of the members be and is hereby accorded to create, issue, offer and allot in one or more tranches, to investors whether Indian or Foreign, including Foreign Institutions, Qualified Institutional Buyers ("QIB"), Non-Resident Indians, Corporate Bodies, Mutual Funds, Banks, Insurance Companies, Pensions Funds, trusts, stabilizing agents or otherwise or any combination thereof, whether or not such investors are shareholders, promoters, directors or associates of the Company, through issue of Equity Shares and / or Global Depository Receipts ("GDRs") and / or American Depository Receipts ("ADRs") and / or Foreign Currency Convertible Bonds ("FCCBs") and / or Fully Convertible Debentures and / or Partly Convertible Debentures and / or Optionally Convertible Debentures and / or Non convertible Debentures with Warrants and / or Debentures and / or other securities convertible into equity shares at the option of the Company and / or holder(s) of such securities or with or without detachable warrants with a right exercisable by the warrant holders to subscribe to the equity shares or otherwise ("Securities") representing either Equity Shares or a combination of any other Securities through one or more public or private offering in domestic and / or one or more international market(s), with or without green shoe option, or a Qualified Institutional Placement ("QIP") in accordance with Chapter VI of the SEBI Regulations, as the Board may deem appropriate, in terms of SEBI Regulations or by one or more combination of the above or otherwise and at such time or times in one or more tranches, whether rupee denominated or denominated in foreign currency, at such price or prices, at market price or at a discount or premium to market price in terms of applicable regulations, to any eligible investors, including residents and / or non-residents and / or qualified institutional buyers and / or institutions / banks and / or incorporated bodies and / or individuals and / or trustees and / or stabilizing agents or otherwise, whether or not such investors are members of the Company, as may be deemed appropriate by the Board and as permitted under applicable laws and regulations ("Investors"), for an amount not exceeding ₹ 5000 crores (Rupees Five Thousand Crores), inclusive of such premium as may be fixed on such Securities at such a time or times, in Indian Rupees or an equivalent amount in any foreign currency, as the Board may determine, where necessary in consultation with the Lead Managers, Merchant Bankers, Underwriters, Guarantors, Financial and / or Legal Advisors, Depositories, Registrars and other agencies and on such terms and conditions as may be determined and deemed appropriate by the Board in its absolute discretion at the time of such issue and allotment considering the prevailing market conditions and other relevant factors in consultation with the merchant banker(s) to be appointed, so as to enable to list on any stock exchanges in India and / or on any of the overseas stock exchanges, wherever required and as may be permissible and the number and / or price of Securities shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring."

   "**RESOLVED FURTHER THAT** the Securities issued in foreign markets shall be deemed to have been made abroad and / or in the market and / or at the place of issue of the Securities in the international market and may be governed by the applicable laws."

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

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

   "**RESOLVED FURTHER THAT** in the event the Equity Shares are issued in the course of QIP under Chapter VI of SEBI Regulations, the pricing shall be determined in compliance with principles and provisions set out in the Regulation 176 of Chapter VI of the SEBI Regulations and the Board may offer a discount of not more than 5% (five per cent) on the price calculated for the QIP or such other discount as may be permitted under said SEBI Regulations, the Securities shall be allotted as fully paid-up (subject to allottees having the option to pay either full or part consideration for warrants, with the balance consideration being payable at or by the time of exercise of such warrants, where the tenure of any convertible or exchangeable Securities shall not exceed 60 (sixty) months from the date of allotment) or such other period as may be permitted under said SEBI Regulations."

"**RESOLVED FURTHER THAT** in the event the Equity Shares are issued in the course of QIP under Chapter VI of SEBI Regulations, the relevant date for the purpose of the pricing of the Equity Shares shall be the meeting in which the Board or a duly authorised Committee thereof decides to open the issue or such other date as may be prescribed under applicable laws, and in the event that convertible securities (as defined under the SEBI Regulations) are issued to QIBs under Chapter VI of the SEBI Regulations, the "relevant date" for the purpose of pricing of such convertible securities, shall be the date of the meeting in which the Board or a duly authorized Committee thereof decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares."

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

"**RESOLVED FURTHER THAT** for the purpose of giving effect to any offer, issue or allotment of Securities, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of the terms thereof, finalization and approval of the offer documents, private placement offer letter, determining the form, proportion and manner of the issue, including the class of investors to whom the Securities are to be allotted, number of Securities to be allotted, issue price, premium amount on issue / conversion / exercise / redemption, rate of interest, redemption period, fixing record date, listings on one or more stock exchanges in India or abroad, entering into arrangements for managing, underwriting, marketing, listing and trading, to issue placement documents and to sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and for other related matters and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such offer(s) or issue(s) or allotment(s) as it may, in its absolute discretion, deem fit."

"**RESOLVED FURTHER THAT** the Securities to be created, issued, allotted and offered in terms of this Resolution shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall be issued in dematerialized form."

"**RESOLVED FURTHER THAT** the Equity Shares so issued shall in all respects rank pari passu with the existing Equity Shares of the Company and shall be listed with the stock exchanges where the Company's existing equity shares are listed."

"**RESOLVED FURTHER THAT** the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities or as may be necessary in accordance with the terms of the offering and all such Equity Shares shall rank pari passu with the existing Equity Shares in all respects."

"**RESOLVED FURTHER THAT** the Board be and is hereby authorised to appoint merchant bankers, underwriters, depositories, custodians, registrars, trustees, bankers, lawyers, advisors and all such agencies as may be involved or concerned in the issue and to remunerate them by way of commission, brokerage, fees or the like (including reimbursement of their actual expenses) and also to enter into and execute all such arrangements, contracts / agreements, memorandum, documents, etc., with such agencies, to seek the listing of Securities on one or more recognized stock exchange(s), to affix common seal of the Company on any arrangements, contracts / agreements, memorandum, documents, etc. as may be required."

"**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be and is hereby authorised in consultation with the merchant banker(s), advisors and / or other intermediaries as may be appointed in relation to the issue of Securities, is authorised to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for the issue and allotment of Securities and listing thereof with the stock exchanges or otherwise as may be required in relation to the issue and to resolve and settle all questions and difficulties that may arise in the issue, offer and allotment of Securities, including finalization of the number of Securities to be issued in each tranche thereof, form, terms and timing of the issue of Securities including for each tranche of such issue of Securities, identification of the investors to whom Securities are to be offered, utilization of the proceeds and other related, incidental or ancillary matters as the Board may deem fit at its absolute discretion, to make such other applications to concerned statutory or regulatory authorities as may be required in relation to the issue of Securities and to agree to such conditions or modifications that may be imposed by any relevant authority or that may otherwise be deemed fit or proper by the Board and to do all acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deems fit and to settle any questions, difficulties or doubts that may arise in relation to any of the aforesaid or otherwise in relation to the issue of Securities."

"**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate (to the extent permitted by law) all or any of the powers herein conferred to any officer of the Company."

6. To consider and if thought fit, to pass the following resolution as a Special Resolution:

ALTERATION OF ARTICLES OF ASSOCIATION OF THE COMPANY

"**RESOLVED THAT** pursuant to the provisions of Section 14 of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof) ("the Act") and subject to other permissions and approvals, if any, as may be required, the Articles of Association of the Company be and is hereby amended by insertion of new Article 86(c) after Article 86(b) as follows :-

86(c) – Appointment of Nominee Director

Notwithstanding anything contained in this Articles, the Board shall have the power, on receipt of the nomination by the debenture trustee to appoint a Nominee Director on the Board of the Company in events as specified in SEBI (Debenture Trustees) Regulations, 1993 as amended from time to time.

Such Nominee Director may not be required to hold any qualification shares.

The Debenture Trustee may have the right to remove such Nominee Director so appointed and also in the case of death or resignation or vacancy for any reasons whatsoever in the Nominee Director/s so appointed, at any time appoint any other person as Nominee Director. Such appointment or removal shall be made in writing to the Company.

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

7. To consider and if thought fit, to pass the following resolution as a Special Resolution:

APPOINTMENT OF NIKHIL KHATTAU AS AN INDEPENDENT DIRECTOR OF THE COMPANY

"RESOLVED THAT pursuant to the provisions of Sections 149, 150,152 read with Schedule IV to the Companies Act, 2013 ("the Act") and any other applicable provisions of the Act and the rules made thereunder and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof), Nikhil Khattau (holding DIN 00017880), who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under section 160 of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years effective from 01st October, 2023."

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

Registered Office:
Torrent House
Off Ashram Road,
Ahmedabad – 380 009, Gujarat, India
(CIN: L24230GJ1972PLC002126)
Phone: + 91 79 26599000
Fax: + 91 79 26582100
Website: **www.torrentpharma.com**
Email Id: **investorservices@torrentpharma.com**

By Order of the Board of Directors
For Torrent Pharmaceuticals Limited

Chintan M. Trivedi
Company Secretary

Ahmedabad
20th June, 2023

NOTES:

1. The Ministry of Corporate Affairs ("MCA") has vide its circular no. 20/2020 dated 5th May, 2020 read with circular nos. 14/2020 and 17/2020 dated 8th April, 2020 and 13th April, 2020 respectively (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. MCA had vide circular no. 10/2022 dated 28th December, 2022 has allowed the Companies whose AGM are due to be held in the year 2023, to conduct their AGMs on or before 30th September, 2023 in accordance with the requirement provided in this Circular. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM. The detailed procedure for participation in the meeting through VC / OAVM is as per note no.27 and is also available at the Company's website **www.torrentpharma.com**.
2. Pursuant to MCA Circular no. 14/2020 dated 8th April 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint Authorised Representatives by uploading a duly certified copy of the board resolution authorizing their representatives to attend the AGM through VC / OAVM and participate thereat and cast their votes through e-voting.
3. The attendance of the members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. The Members can join the AGM through VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. All the members of the Company are encouraged to attend and vote at the AGM through VC / OAVM.
5. The Explanatory Statement pursuant to Section 102(1) and (2) of the Act in respect of Item no. 3 and Special Business i.e. Item No. 4 to 7 is annexed hereto.
6. The Register of Directors and Key Managerial Personnel of the Company and their shareholding maintained under Section 170 of the Act, the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act and all other documents referred to in the Notice will be available for inspection in the electronic mode upto the date of AGM and will also be available electronically for inspection by the Members during the AGM. Members seeking to inspect such documents can send the e-mail to **investorservices@torrentpharma.com**.
7. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Listing Regulations and the MCA Circulars, the Company is providing facility of remote e-voting to its Members through Central Depository Services (India) Limited ("CDSL") in respect of the business to be transacted at AGM. The facility of casting votes by a member using remote e-voting as well as e-voting system on the date of the AGM will be provided by CDSL. Members of the Company holding shares as on the cut-off date i.e. 31st July, 2023, may cast their vote either by remote e-voting or e-voting system as on date of AGM. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.

   The information with respect to voting process and other instructions regarding e-voting are detailed in Note no. 25.
8. In compliance with the MCA Circulars and SEBI Circular no. SEBI/HO/CFD/CMD1/CIR1/CIR/P/2020/79 dated 12th May, 2020 read with SEBI Circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 05th January, 2023, Notice of the AGM along with the Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company / DPs. Members may note that the Notice of 50th AGM and the Annual Report of the Company for the year ended 31st March, 2023 have been uploaded on the Company's website **www.torrentpharma.com** and may be accessed by the members and will also be available on the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at **www.bseindia.com** and **www.nseindia.com** respectively and on the website of CDSL at **www.evotingindia.com**.
9. Rajesh Parekh, Partner, RPAP & Co., Practicing Company Secretary (Membership No. A8073) and failing him Aishwarya Parekh, Partner, RPAP & Co., Practicing Company Secretary (Membership No. A58980) has been appointed as the scrutinizer to scrutinize the remote e-voting and e-voting process on the date of AGM in a fair and transparent manner.
10. The Scrutinizer shall submit a consolidated Scrutinizer's Report (votes casted during the AGM and votes casted through remote e-voting) of the total votes cast in favour of or against, if any, not later than 48 hours after the conclusion of the AGM to the Chairman of the Company. The Chairman, or any other person authorised by the Chairman, shall declare the result of the voting. The result declared along with the consolidated Scrutinizer's Report shall be simultaneously placed on the Company's website **www.torrentpharma.com** and on the website of CDSL and communicated to the BSE Limited and National Stock Exchange of India Limited.
11. The resolution shall be deemed to be passed on the date of AGM, subject to the receipt of sufficient votes.
12. Members seeking any information or clarification on the accounts or any other matter to be placed at AGM are requested to send written queries to the Company on **investorservices@torrentpharma.com** atleast 10 days before the date of the meeting to enable the management to respond appropriately.
13. The final dividend on equity shares, if declared at the AGM, will be paid / dispatched around 14th August, 2023 to those members whose name appear on the Company's Register of Members or List of Beneficial Owners as received from the National Securities Depository Limited or Central Depository Services (India) Limited on 23rd June, 2023 i.e. the Record date fixed for this purpose.
14. The Company is required to deduct income tax from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ('the IT Act'). For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and the amendments thereof. In general, Members are requested to complete and / or update their Residential Status, Permanent Account Number ('PAN') and Category as per the IT Act with their Depository Participants ('DPs') or in case shares are held in physical form, with the Company / its RTA.

    A Resident individual member with PAN and who is not liable to pay Income Tax can submit a yearly declaration in Form no. 15G / 15H, to avail the benefit of non-deduction of tax at source by uploading documents on the link: **https://ris.kfintech.com/form15/** on or before 10th July, 2023. Members are requested to note that, inter-alia in case the PAN duly linked with Aadhar is not registered or declarations with requisite information are not provided, the tax will be deducted at higher rate of 20%.

    Non-resident members can avail beneficial rates under tax treaty between India and their Country of residence, subject to providing necessary documents. i.e. self attested copy of PAN Card (if available), No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F or any other documents which may be required to avail the tax treaty benefits by uploading documents on the link : **https://ris.kfintech.com/form15/** on or before 10th July, 2023.

    No communication / documents on the tax determination / deduction for the purpose of final dividend shall be considered after 10th July, 2023. For the detailed process, please click here: **https://www.torrentpharma.com/pdf/investors/Shareholder_Communication_Tax_on_Dividend_Final_Dividend_2022-23.pdf**
15. Regulation 40 of the Listing Regulations, as amended, mandates that requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form. Members holding the shares in physical form are requested to dematerialize their holdings at the earliest as it will not be possible to transfer shares held in physical mode.

    Further SEBI vide its circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January 2022, has mandated that listed companies shall issue the securities in dematerialized form only, in order to enhance ease of dealing in securities markets by investors, for transactions including Issue of duplicate securities certificate, claim from unclaimed suspense account, renewal / exchange of securities certificate, endorsement, sub-division / splitting of securities certificate, consolidation of securities certificates / folios, transmission and transposition of shares.

    Dematerialization 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. It also substantially reduce the risk of fraud. Hence, we request all those members who have still not dematerialized their shares to get their shares dematerialized at the earliest.
16. Members wishing to claim dividends that remain unclaimed are requested to correspond with the Company's Registrars and Transfer Agent (RTA). Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund (IEPF). Shares on which dividend remains unclaimed for seven consecutive years shall be transferred to the IEPF as per Section 124 of the Act, read with applicable IEPF rules.

    During the year 2022-23, the Company has transferred 1,82,066 equity shares to the demat account of IEPF Authority.

    Pursuant to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), the Company has uploaded the information in respect of the unclaimed dividends as on 31st March, 2022 on its website **www.torrentpharma.com** and also on the website of the Investor Education and Protection Fund **www.iepf.gov.in**.

17. In accordance with the provisions of Section 72 of the Act and SEBI circulars, the facility for nomination is available for the members of the Company in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting the Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he / she may submit the same in Form No. ISR-3 or Form No. SH-14, as the case may be. The said forms are available on the Company's website at **https://www.torrentpharma.com/index.php/investors/shareHolder**.

    Members are requested to submit the said details to their respective DPs, in case the shares are held by them in dematerialised form and to the Company / RTA in case the shares are held by them in physical form.

18. As required in terms of Secretarial Standard - 2 and Listing Regulations, the information (including profile and expertise in specific functional areas) pertaining to Director recommended for appointment / re-appointment in the AGM has been provided in the explanatory statement to the Notice.

19. SEBI has mandated the submission of PAN (duly linked with Aadhar), KYC details and nomination by holders of physical securities by 30th September, 2023 vide its circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March, 2023. Members are requested to submit their PAN, KYC and nomination details to the Company's RTA. The forms for updating the same are available at **https://www.torrentpharma.com/index.php/investors/shareHolder.**

    Members holding shares in electronic form are requested to submit their PAN to their depository participant(s).

    The Company has sent individual letters to all the members holding shares of the Company in physical form for furnishing their PAN, KYC and Nomination details.

    In case a holder of physical securities fails to furnish these details or link their PAN with Aadhaar before the due date, our RTA is obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on 31st December, 2025, the RTA / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.

20. Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends by registering their bank account details with the Company. Members holding shares in dematerialized mode are requested to register complete bank account details with the Depository Participants and members holding shares in physical mode are requested to send a duly signed request letter to RTA mentioning the name, Folio no, bank details, self-attested copy of PAN Card and original cancelled cheque leaf along with Form ISR-1. In case of absence of name of the first shareholder on the original cancelled cheque, bank attested copy of first page of the bank passbook / statement of accounts in original along with Original cancelled cheque. Format of the Form ISR-1 and other required details are available on the website of the Company at the link **https://www.torrentpharma.com/index.php/investors/shareHolder**

21. Process for those Members whose email ids are not registered with the Depositories or the Company for obtaining login credentials for e-voting:

    - Members holding shares in physical form may request for the same along with providing necessary details like Folio No., Name of Member, self attested scan copy of PAN Card and Aadhar Card by email to **investorservices@torrentpharma.com**
    - Members holding shares in demat form may request for the same along with providing Demat account details (CDSL-16 digit beneficiary ID or NSDL - 8 character DPID + 8 character Client ID), Name of Member, client master or copy of Consolidated Account statement, self attested scan copy of PAN Card and Aadhar Card by email to **investorservices@torrentpharma.com**

22. Process for updation of email ids / mobile no of the members whose email ids / mobile no. are not registered with the Company or Depositories:

    - Members holding shares in physical form - Update your email id and mobile no by providing Form ISR-1 and ISR-2 available on the website of the Company / RTA.
    - Members holding shares in demat form – Update your email id & mobile no. with your respective Depository Participant (DP); for individual members holding shares in demat form, updation of email id & mobile no. is mandatory for e-voting and joining virtual meetings through depositories.

23. Since the AGM will be held through VC / OAVM in accordance with the MCA Circulars, the route map, proxy form and attendance slip are not attached to the Notice.

24. The toll free number regarding any query / assistance for participation in the AGM through VC / OAVM is 1800 22 55 33.

25. Voting process and instruction regarding remote e-voting:

Section A: Voting Process:

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

Login method for e-voting and joining virtual meeting for individual members holding shares in demat form:

i. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020, under Regulation 44 of the Listing Regulations, Listed Companies are required to provide remote e-voting facility to its members, in respect of all members' resolutions.

    Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed companies in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the members.

    In order to increase the efficiency of the voting process, all the demat account holders have been enabled for e-voting by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs.

ii. Members are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

    Pursuant to aforesaid SEBI Circular, login method for e-Voting and joining virtual meetings for Individual members holding shares in Demat mode is given below:

Type of Members	Login Method
Individual Members holding securities in Demat mode with **CDSL**	1) Users who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsl website **www.cdslindia.com** and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting the vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi / Easiest, option to register is available at CDSL website **www.cdslindia.com**. Click on login & New system Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from the e-Voting link available on **www.cdslindia.com**. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-Voting is in progress and will also be able to directly access the system of all e-voting service providers.
Individual Members holding securities in demat mode with **NSDL**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: **https://eservices.nsdl.com**. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at **https://eservices.nsdl.com**. Select "Register Online for IDeAS" Portal or click at **https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp** 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: **https://www.evoting.nsdl.com/**. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section. A new screen will open. You will have to enter your User ID (i.e. 8 character DPID followed by 8 character Client ID), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of Members	Login Method
Individual members (holding shares in demat mode) login through their **Depository Participants**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at abovementioned websites.

Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL:

Login type	Helpdesk details
Individual Members holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at **helpdesk.evoting@cdslindia.com** or contact at Toll free No. 1800 22 55 33.
Individual Members holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at **evoting@nsdl.co.in** or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Login method for e-voting and joining virtual meeting for members other than individual members holding shares in demat form & members holding in physical mode:

Step 1: Open the web browser during the voting period and log on to the e-voting website **www.evotingindia.com**.

Step 2: Click on "Shareholders" to cast your vote(s).

Step 3: Please enter User ID

(i) For account holders in CDSL: Your 16 digits beneficiary ID.

(ii) For account holders in NSDL: Your 8 Character DP ID followed by 8 Character Client ID.

(iii) Members holding shares in Physical Form should enter Folio Number registered with the Company.

Step 4: Enter the Image Verification as displayed and Click on "Login".

Step 5: If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any company, then your existing password is to be used. If you have forgotten the password, then enter the User ID and the image verification code and click on "FORGOT PASSWORD" and enter the details as prompted by the system.

Step 6: Follow the steps given below if you are first time user:

(i) holding shares in physical form

(ii) holding shares in demat form other than individual

PAN	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. The sequence number is printed in the covering e-mail. Members who have not registered their email address may obtain the sequence number from the Company by following the process defined in Note No. 21
DOB	Enter the Date of Birth ("DOB") as recorded in your demat account or in the Company records in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio no. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the Depository or Company, please enter the DP ID and Client ID / folio number in the Dividend Bank details field as mentioned in Step 3.

Step 7: After entering these details appropriately, click on "SUBMIT" tab.

Step 8: Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

Step 9: For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

Step 10: Click on the EVSN for the TORRENT PHARMACEUTICALS LIMITED on which you choose to vote.

Step 11: On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES / NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

Step 12: Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

Step 13: After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

Step 14: Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote. You can also take out print of the voting done by you by clicking on "Click here to print" option on the voting page.

Section B: Other instructions regarding remote e-voting:

i. The voting period shall begin on 03rd August, 2023 from 09:00 A.M. and end on 06th August, 2023 at 05:00 P.M. During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 31st July, 2023, may cast their vote electronically. Thereafter the e-voting module shall be disabled.

ii. Non – Individual Members and Custodians (i.e. other than Individuals, HUF, NRI etc.) are additionally required to note and follow the instructions mentioned below:

- They are required to log on to **www.evotingindia.com** and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
- After receiving the login details, user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delinked in case of any wrong mapping.

iii. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to upload the following in PDF Format in the system for the scrutinizer to verify the same:

a) Copy of Board resolution (where institution itself is voting)

b) Power of Attorney issued in favour of the Custodian as well as the Board resolution of the Custodian.

Alternatively, Non-Individual members are required to send the relevant Board Resolution / Authority Letter etc. together with attested specimen signature of the duly authorised signatories who are authorised to vote, to the scrutinizer at the e-mail id **rpap@csrajeshparekh.in**, if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

iv. Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat account.

v. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at **www.evotingindia.com**, under help section or contact Mr. Rakesh Dalvi, Sr. Manager, CDSL, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mills Compounds, N. M. Joshi Marg, Lower Parel (East), Mumbai – 400013 or write an email to **helpdesk.evoting@cdslindia.com** or call Toll free no-1800 22 55 33 during working hours on all working days.

26. Voting process and instruction regarding e-voting at AGM are as under:

    a. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

    b. Only those Members, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available in the AGM.

    c. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

27. Instruction for members for attending the AGM through VC / OAVM are as under:

    a. The link for VC / OAVM to attend the AGM will be available where the EVSN of the Company will be displayed after successful login as per instruction mentioned above for remote e-voting.

    b. Members are encouraged to join the Meeting through Laptops / IPads for better experience. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

    c. For ease of conduct, Members who would like to express their views / ask questions during the meeting may register themselves as a speaker by sending their request atleast 10 days prior to the date of meeting mentioning their name, demat account number / folio number, email id, mobile number at **investorservices@torrentpharma.com**. The shareholders who do not wish to speak during the AGM but have queries may send their queries mentioning their name, demat account number / folio number, email id, mobile number at **investorservices@torrentpharma.com**. These queries will be replied to by the Company suitably by email.

    d. Those shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting. Further the shareholders will be required to allow the camera for participation in the meeting as speaker.

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

Item No. 3

Pursuant to Section 152 (6) of the Companies Act, 2013, Samir Mehta retires by rotation at this AGM and being eligible, is proposed for re-appointment. He was last re-appointed on retirement by rotation as Director on 27th July, 2021. Samir Mehta has expressed his intention to act as a Director, if reappointed.

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

Except Samir Mehta himself, Aman Mehta and Sudhir Mehta, relatives of Samir Mehta and their relatives, none of the other Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the ordinary resolution set out at Item No. 3 of the Notice.

The Board commends this resolution for your approval.

Item No. 4

Section 148(3) of the Companies Act, 2013 read with Rule 14(a) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof) ("the Act"), requires the Board to appoint an individual, who is a Cost Accountant or a firm of Cost Accountants in practice, as Cost Auditor on the recommendations of the Audit committee, which shall also recommend their remuneration and such remuneration shall be considered and approved by the Board of Directors and ratified subsequently by the members.

The Board of Directors at their meeting held on 30th May, 2023, on recommendation of the Audit Committee, approved the appointment of M/s. Kirit Mehta & Co., Cost Accountants, as the Cost Auditors of the Company for the financial year 2023-24 at the same fees of last year of ₹ 8,80,000/- plus out of pocket expenses and GST as applicable for conducting the audit of the cost accounting records of all the manufacturing facilities of the Company.

The resolution contained in Item no. 4 of the accompanying Notice, accordingly, seek members' approval for ratification of remuneration of Cost Auditors of the Company for the financial year 2023-24.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the ordinary resolution set out at Item No. 4 of the Notice.

The Board commends this resolution for your approval.

Item No. 5

The Company has been pursuing, both organic process and inorganic opportunities, for its growth. Further, there is ongoing requirement of working capital and capex for upgradation / expansion of Company's existing manufacturing facilities and ongoing projects. The generation of internal funds may not be adequate to meet all the requirements of the Company's growth plans. It would be therefore, prudent for the Company to have the requisite enabling approvals in place for meeting the fund requirements of its organic and inorganic growth, capital expenditure, long term working capital, refinancing the existing borrowings and also such other corporate purposes as may be permitted under the applicable laws and as may be specified in the appropriate approvals. This would also help the Company to take quick and effective action to capitalize on the opportunities, primarily those relating to inorganic growth, as and when available.

The requirement of funds is proposed to be met from both equity and debt from issuance of appropriate securities and from both domestic and international markets. Prudence would require the funding to be structured with an appropriate mix of equity and debt to meet with the objective of optimization of the cost as well as conservative financial management.

Purpose / objects of the fund raise: In order to meet the additional fund requirements of the Company for the aforesaid purposes and pursuant to Section 62(1)(c) of the Companies Act, 2013 ("the Act") and rules made thereunder, as amended in case the Company proposes to issue equity shares to any persons other than existing Members, whether or not such persons are Members, approval of Members through a special resolution is required.

Basis or Justification of Price in case of issue of Qualified Institutions Placement ("QIP"): The pricing of the Securities shall be determined by the Board in accordance with the regulations on pricing of securities prescribed under Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI Regulations"). The "Relevant Date" for this purpose, will be the date when the Board or a duly authorized Committee thereof decides to open the issue, if Equity Shares are issued, or, in case of issuance of convertible securities, the date of the meeting in which the Board decides to open the issue of the convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares as provided under Chapter VI of the SEBI Regulations. The resolution enables the Board to offer such discount not exceeding 5% on the price calculated for the QIP or such other discount as may be permitted under applicable law on the price determined pursuant to the SEBI Regulations.

The Board of Directors, accordingly, at their meeting held on 30th May, 2023 has recommended to the Members to give their consent through special resolution to the Board of Directors or any Committee of the Board to raise funds through issuance of Equity Shares and / or Global Depository Receipts ("GDRs") and / or American Depository Receipts ("ADRs") and / or Foreign Currency Convertible Bonds ("FCCBs") and / or Convertible Bonds / Debentures or any equity linked instrument/s ("Securities") as may be appropriate to persons who may or may not be the existing shareholders through private placement and / or Qualified Institutional Placement and / or any other permitted modes at a price to be determined as per the SEBI Regulations or as per other applicable rules and regulations, upto an amount not exceeding ₹ 5000 crores (Rupees Five Thousand Crores) in Indian Rupees and / or an equivalent amount in any foreign currency under Section 62 read with Section 179 of the Act, as amended or other applicable laws. While no specific instrument or instruments of Securities has been identified at this stage, the Board may opt for an appropriate instrument in the best interest of the Company. Such issue shall be subject to the provisions of the Act, as amended and rules made there under from time to time, Articles of Association of the Company, SEBI Regulations and other applicable laws.

Pursuant to Sections 42 and 62 of the Act, as amended read with Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended, a company offering or making an invitation to subscribe aforesaid Securities is required to obtain prior approval of the Members by way of the special resolution. If approved by Members, QIP issue shall be completed within 365 days from the date of passing of special resolution and in case of issue by way other than QIP, provisions as applicable to the proposed issue shall be applicable. Equity Shares, proposed to be issued, shall in all respects rank pari passu with the existing equity shares of the Company.

In view of the above, it is proposed to seek approval from the Members of the Company to offer, create, issue and allot above Securities, in one or more tranches, to investors inter alia through QIP by way of private placement or otherwise and to authorise the Board of Directors (including any Committee thereof authorised for the purpose) to do all such acts, deeds and things on the matter. The Board may offer a discount of not more than 5% on the price calculated for the QIP or such other discount as may be permitted under said SEBI Regulations.

The resolution contained in Item no. 5 of the accompanying Notice, accordingly, seek members' approval through special resolution for raising funds as above through issue of Securities in one or more tranches and authorizing the Board of Directors (including any Committee thereof authorised for the purpose) of the Company to complete all the formalities in connection with the issue of Securities.

The Company has not allotted any securities on a preferential basis in the previous year.

Directors / Key Managerial Personnel of the Company / their relatives may be deemed to be concerned or interested in the Resolution to the extent of their shareholding in the Company.

The Board commends this resolution for your approval.

Item No. 6

SEBI vide its notification dated 2nd February, 2023 amended the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 wherein it mandated that Articles of Association ("AOA") of an issuer of debt securities should contain a clause authorising the Board of Directors of such issuer company to appoint a person nominated by the debenture trustee(s) in terms of Regulation 15(1)(e) of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 as a director on its Board. Further, in case AOA of issuer companies whose debt securities are already listed on the date of SEBI Notification does not contain a provision for appointing a Nominee Director by Debenture Trustee then such issuer companies should amend their AOA on or before 30th September, 2023.

The existing AOA of the Company does not contain any provisions with respect to appointment of Nominee Director by the Debenture Trustee in terms of Regulation 15(1)(e) of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993.

For the above purpose, the AOA of the Company is required to be amended to include provisions for the appointment of Nominee Director.

The resolutions contained in item no. 6 of the accompanying Notice, accordingly, seek Member's approval through special resolution for amending the Articles of Association of the Company to include provisions for the appointment of Nominee Director.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the special resolution set out at Item No. 6 of the Notice.

A draft copy of Articles of Association of the Company showing alteration will be available for inspection upto the date of AGM and will also be available electronically for inspection by the Members during the AGM. Members seeking to inspect such documents can send the e-mail to **investorservices@torrentpharma.com**

The Board commends this resolution for your approval.

Item No. 7

Pursuant to the recommendation of the Nomination and Remuneration Committee ("NRC"), your Board has recommended the appointment of Nikhil Khattau (holding DIN 00017880) as an Independent Director ("ID") on the Board of the Company, not liable to retire by rotation to hold office for a term of 5 (five) consecutive years effective from 01st October, 2023.

In terms of Regulation 17(1C) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") approval of Members for appointment of person on the Board of Directors should be taken at the next General Meeting or within a period of 3 months from the date of appointment, whichever is earlier. Further, in accordance with Regulation 25(2A) of Listing Regulations, the appointment of an ID shall be subject to approval of Members by way of a special resolution.

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

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

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

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

The NRC reviewed the capabilities of Mr. Khattau vis a vis the role and capabilities required as decided by the Committee based on the evaluation of balance of skills, knowledge and experience of the existing Board and considered appropriate, to recommend the appointment of Mr. Khattau as an ID, for a term of 5 (five) consecutive years effective from 01st October, 2023. In the opinion of NRC and the Board, his skills, knowledge and expertise would enhance the functioning of Board. Mr. Khattau possess skills, experience/ expertise in the areas of Strategic leadership, financial expertise and Governance, Risk and Compliance.

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

Accordingly, it is proposed to appoint Mr. Khattau as ID of the Company, not liable to retire by rotation for a term of 5 (five) consecutive years effective from 01st October, 2023.

Copy of the draft letter of appointment setting out the terms and conditions applicable to ID as applicable to Mr. Khattau is available on the Company's website **www.torrentpharma.com** and will also be available for inspection by the members in the electronic mode upto the date of AGM and during the AGM.

The resolution contained in Item no. 7 of the accompanying Notice, accordingly, seeks members' approval for appointment of Mr. Khattau as an ID on the Board of the Company on the terms and conditions as specified in the draft letter of appointment.

None of the Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in the special resolution set out at Item no. 7 of the Notice.

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

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 26599000
Fax: + 91 79 26582100
Website: **www.torrentpharma.com**
Email Id: **investorservices@torrentpharma.com**

By Order of the Board of Directors
For Torrent Pharmaceuticals Limited

Chintan M. Trivedi
Company Secretary

Ahmedabad
20th June, 2023

ANNEXURE TO THE NOTICE:

INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT / RE-APPOINTMENT

Samir Mehta

Mr. Samir Mehta, 59, is the Chairman of ₹37,000 Crores Torrent Group.

Under his leadership, Torrent Pharma took several strategic initiatives, including forays into new therapies and geographies, large investments in product development infrastructure and capabilities, building state-of-the-art manufacturing facilities and acquisitions, thus establishing Torrent as one of India's fast growing and well respected Pharma majors. His emphasis on professional organisational design, precise execution and operational efficiencies has built a strong and globally competitive generic business platform in Torrent Pharma.

Mr. Mehta has also guided the Group's entry and growth in the Power sector. Torrent Power has systematically improved its performance on all efficiency parameters and ranks amongst the best run power utilities in the country. His emphasis on efficiency and reliability has led the Company to demonstrate exemplary operational capabilities and high customer orientation thus, setting new benchmarks in the sector and attracting many accolades.

In a move to expand its business presence and capitalizing on the experience in energy sector particularly in gas sourcing, Mr. Mehta mentored the Group's entry in the emerging City Gas Distribution sector. This new vertical started participating in various bidding rounds for getting authorisations new areas and acquiring existing CGD entities. In a short span, Torrent has established itself as a leading CGD entity in the country with an investment plan of approx. ₹10,000 crores and started rolling out its network across 17 geographical areas in India.

Much before the current emphasis on CSR, Mr. Mehta always conducted the businesses in a socially responsible way, giving a new dimension to the traditional meaning of CSR. He has emphasized environmental responsibility in industrial operations and creation of local livelihoods in the influence areas of Torrent establishments. His belief that improving community health and school education of the underprivileged class are powerful instruments for social empowerment and upliftment, has driven much of the Group's investments in CSR activities.

A fine blend of business acumen and cautious entrepreneurial optimism, Mr. Mehta has positively influenced all aspects of the Group culture with his contemporary outlook and innovative ideas. Torrent Group has established a reputation for being employee-centric, and above all fair and humane in all its dealings.

Companies (other than Torrent Pharmaceuticals Limited) in which Mr. Mehta holds directorship and committee membership:

Sr.No	Directorship in Companies	Name of Committees
1.	Torrent Power Ltd	Committee of Directors – Chairman
		Stakeholders Relationship Committee - Member
2.	Torrent Investments Private Ltd	Corporate Social Responsibility Committee – Chairman
		Nomination & Remuneration Committee - Member
3.	UNM Foundation	-

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

Mr. Mehta holds 400 Equity Shares (including 200 shares held in the name of Samir Mehta HUF) of your Company. Mr. Mehta, a B-School graduate, is on the Board of your Company from 20th August, 1986. He has attended all 7 (seven) Board meetings held during the year. Samir Mehta is related to Sudhir Mehta, Chairman Emeritus and Aman Mehta, Whole time Director. He will be paid the remuneration in accordance with the Resolution no. 2 of the Postal Ballot notice dated 27th January, 2020. For the details pertaining to remuneration drawn during the year 2022-23, please refer to the Corporate Governance Report forming part of the Annual Report.

Nikhil Khattau

Nikhil Khattau, aged 60 years, is an experienced investor, entrepreneur and investment banker. At Mayfield, Nikhil has been leading investments since 2007. As an entrepreneur, he was founding CEO of SUN F&C, one of India's first privately - owned mutual fund houses. His investment banking experience was with EY's corporate Finance Group in London and New York.

Nikhil is a Fellow of the Institute of Chartered Accountants in England and Wales and received his Bachelor's degree from the University of Mumbai.

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

Sr. No.	Directorship in Companies	Name of Committees
1.	Marico Limited	Audit Committee – Chairman
		Nomination and Remuneration Committee – Member
		Stakeholders Relationship Committee – Chairman
		Risk Management Committee - Chairman
2.	Kaya Limited	Audit Committee – Chairman
		Stakeholders Relationship Committee – Chairman
		Risk Management Committee - Chairman
3.	Eatclub Brands Private Limited	-
4.	Delightful Gourmet Private Limited	Nomination and Remuneration Committee – Member
5.	Securens Systems Private Limited	-
6.	Mayfield India II Limited	-
7.	Mayfield India II Management Limited	-
8.	Mayfield Mauritius Limited	-
9.	Mayfield FVCI Limited	-
10.	The G.O.A.T Brand Labs PTE Ltd	-

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

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

He will be paid the remuneration in accordance with the resolution no. 7 of the Notice convening the AGM held on 23rd July, 2019 read with the explanatory statement or such other resolution as may be passed by the members from time to time.

CORPORATE INFORMATION

BOARD OF DIRECTORS

1. Sudhir Mehta
   Chairman Emeritus
2. Samir Mehta
   Executive Chairman
3. Shailesh Haribhakti
4. Haigreve Khaitan
5. Ameera Shah
6. Nayantara Bali
7. Dr. Maurice Chagnaud
8. Manish Choksi
9. Jinesh Shah
   Director (Operations)
10. Aman Mehta
    Whole-time Director

AUDIT COMMITTEE

1. Shailesh Haribhakti
   Chairman
2. Haigreve Khaitan
3. Ameera Shah
4. Nayantara Bali
5. Dr. Maurice Chagnaud

SECURITIES TRANSFER AND STAKEHOLDERS RELATIONSHIP COMMITTEE

1. Haigreve Khaitan
   Chairman
2. Shailesh Haribhakti*
3. Ameera Shah
4. Aman Mehta#

NOMINATION AND REMUNERATION COMMITTEE

1. Shailesh Haribhakti
   Chairman
2. Haigreve Khaitan
3. Nayantara Bali

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY COMMITTEE

1. Nayantara Bali
   Chairperson
2. Shailesh Haribhakti
3. Manish Choksi
4. Jinesh Shah

* Stepped down w.e.f. 10th May, 2023
\# Appointed w.e.f. 24th May, 2023

RISK MANAGEMENT COMMITTEE

1. Haigreve Khaitan
   Chairman
2. Shailesh Haribhakti
3. Nayantara Bali
4. Dr. Maurice Chagnaud
5. Sudhir Menon

EXECUTIVE DIRECTOR (FINANCE) & CFO

Sudhir Menon

COMPANY SECRETARY

Chintan M. Trivedi

STATUTORY AUDITORS

B S R & Co. LLP
Chartered Accountants

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CORPORATE IDENTITY NUMBER

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