

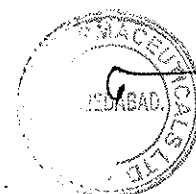
**Quarterly Compliance Report on Corporate Governance Clause 49 of Listing Agreement**

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

Date: **15-Jan-15**

Quarter ending on: **31<sup>st</sup> December, 2014**

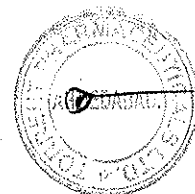
Particulars	Clause of Listing agreement	Compliance Status Yes/No	Remarks
<b>II. Board of Directors</b>	49 II		
(A) Composition of Board	49 (IIA)	Yes	The Company's Board comprises of 9 Directors, of which 7 are non-executive directors (NEDs), representing 78% of total strength. Further out of said 7 NEDs, 5 are independent directors representing 56% of total strength of the Board.
(B) Independent Directors	49 (IIB)	Yes	
Independent Directors	49 (IIB)(1)		The Independent Directors, presently on the Board of the Company, fulfill the criteria laid down in the clause.
Limit on number of directorships	49 (IIB)(2)		No Independent Director of the Company is serving as an Independent Director in more than 7 listed companies. Further, any director on the board of the Company who is serving as a Whole time Director in any listed company is not serving as an Independent Director in more than 3 listed companies.
Maximum tenure of Independent Directors	49 (IIB)(3)		Maximum tenure of Independent Director is as per the provisions of Companies Act, 2013 and clarifications/ circulars issued by the Ministry of Corporate Affairs.
Formal letter of appointment to Independent Directors	49 (IIB)(4)		Formal letter of appointment has been issued to all the Independent Directors. Terms and conditions of appointment are also disclosed on the website of the Company.
Performance evaluation of Independent Directors	49 (IIB)(5)		The Nomination and Remuneration committee will lay down the criteria for performance evaluation of the Independent Directors and disclosures will be made in the Annual Report for 2014-15. The Board shall evaluate the performance of the Independent Directors and shall decide the further course of action.
Separate meetings of the Independent Directors	49 (IIB)(6)		Separate meeting of the Independent Director shall be arranged during Financial Year 2014-15
Familiarisation Programme for Independent Directors	49 (IIB)(7)		Company shall take appropriate action for familiarisation programme for Independent Directors to familiarise with their roles & responsibilities in the Company etc.. The details of the programme will be displayed on the website and a weblink thereto will also be disclosed in the Annual Report for 2014-15



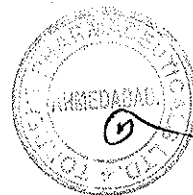
(C) Non-executive Directors' compensation & disclosures	49 (IIC)	Yes	The criteria of Sitting fees and Commission of the NEDs are within the limits prescribed under the Companies Act, 2013 and also payment of Commission is within the limits approved by the shareholders.
(D) Other provisions as to Board and Committees	49 (IID)		Yes
Frequency of Board Meeting	49 (IID) (1)	Yes	During the third quarter ended on 31 <sup>st</sup> December, 2014, one Board Meeting has been held i.e. on 05 <sup>th</sup> November, 2014 and the gap between said meeting and meeting held during the last quarter (i.e. Q2) did not exceed 4 months.
Committee Positions	49 (IID) (2)	Yes	No director of the Company is a member in more than 10 committees or acts as Chairman of more than 5 committees across all companies in which they are directors. Furthermore, the Company annually discloses the committee positions of all directors in its Annual Report.
Compliance Report	49 (IID)(3)	Yes	The certificate confirming compliance with the laws applicable to the Company are placed before every Board meeting and reviewed by the Board.
Resignation / removal of Independent Director	49 (IID)(4) & 5	N.A.	N.A.
Succession plan for appointment of Board & Senior Management	49 (IID)(6)		The Company is in the process of finalising the Succession Plan for appointment of Board & Senior Management.
(E) Code of Conduct	49 (IIE)	Yes	The Board has already laid down the code of conduct for all Board members and senior management of the Company. The Annual Report of the Company for 2014-15 will contain a declaration of compliance signed by the CEO to this effect.
(F) Whistle Blower Policy	49 (IIF)	Yes	The Company has already established a vigil mechanism enabling Stakeholders, including Employees and Directors etc. to report concerns about unethical behaviour, fraud etc., and the same has also been displayed on the website of the Company.
<b>III. Audit Committee</b>	49 (III)		
(A) Qualified & Independent Audit Committee	49 (IIIA)	Yes	The Committee comprises entirely of Independent Non-Executive Directors (INEDs). All members of the Committee are financially literate and having accounting or related financial management expertise. The Chairman of the Committee is also an INED. The Chairman of the Committee was present at last AGM held on 30 <sup>th</sup> July, 2014.
(B) Meeting of Audit	49 (IIIB)	Yes	During the third quarter of financial year 2014-15, one meeting has been held i.e. on



Committee			05 <sup>th</sup> November, 2014 and the gap between said meeting and meeting held during the last quarter (i.e. Q2) did not exceed 4 months.
(C) Powers of Audit Committee	49 (IIIC)	Yes	
(D) Role of Audit Committee	49 (IIID)	Yes	
(E) Review of Information by Audit Committee	49 (IIIE)	Yes	
<b>IV. Nomination and Remuneration Committee</b>	49 (IV)	Yes	The Committee comprises entirely of Non-Executive Directors and majority of them are Independent Directors. The role of Committee is as per the Listing Agreement and Companies Act, 2013.
<b>V. Subsidiary Companies</b>	49 (V)		
A) Nomination of an INED of the Company to the Board of material unlisted Indian subsidiary company	49 (VA)	N.A.	As the Company at present does not have any unlisted Indian subsidiary company, this provision will not be applicable.
B) Audit Committee to review financial statements & investments made by unlisted subsidiary companies	49 (VB)	Yes	The Audit Committee normally review all the information as per the Listing Agreement and the Company will always ensure to comply with this requirement.
C) Minutes of Board Meeting of unlisted subsidiary companies & statement of significant transactions & arrangements to be tabled at Board meeting	49 (VC)	Yes	The minutes are regularly placed before the Board and the Company will always ensure to comply with this requirement.
D) Policy for determining 'Material' subsidiary	49 (VD)	Yes	Company has formulated a policy on determining material subsidiaries which is also displayed on the website of the Company and a weblink thereto will be disclosed in the Annual Report for 2014-15.
<b>VI. Risk Management</b>	49 (VI)		The Audit Committee has been delegated with the roles & powers, inter alia, of monitoring and reviewing of the risk management plan and other functions. Consequently, the Committee has been renamed as Audit and Risk Management Committee.
<b>VII. Related Party Transactions</b>	49 (VII)		Company has formulated a policy on materiality of Related Party Transactions and dealing with the Related Parties, as required under Listing Agreement. For entering into any transactions with Related Parties, approval of Audit Committee is taken as per the applicable laws and as per the said policy.

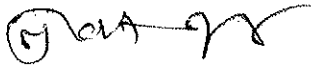


<b>VIII. Disclosures</b>	49 (VIII)	Yes	
(A) Related party transactions	49 (VIII A)	Yes	Detailed disclosure of all the material transactions with related parties is disclosed as an <b>Annex 1</b> to this report. Company shall also display the policy on Related Party Transactions on its website and will disclose a weblink thereto in its Annual Report for 2014-15.
(B) Disclosure of Accounting Treatment	49 (VIII B)	Yes	Disclosed in the Annual Report 2013-14. Will be disclosed in the Annual Report for 2014-15.
(C) Remuneration of Directors	49 (VIII C)	Yes	Disclosed in the Annual Report 2013-14. Will be disclosed in the Annual Report for 2014-15.
(D) Management	49 (VIII D)	Yes	Disclosed in the Annual Report 2013-14. Will be disclosed in the Annual Report for 2014-15.
(E) Shareholders	49 (VIII E)	Yes	Disclosed in the Annual Report 2013-14. Will be disclosed in the Annual Report for 2014-15.
(I) Proceeds from public issues, rights issues, preferential issues etc.	49 (VIII I)	N.A.	
<b>IX. CEO/CFO Certification</b>	49 (IX)	Yes	The CEO/CFO certificate was placed at the meeting of the Board of Directors of the Company held on 09 <sup>th</sup> May, 2014 for approving annual financial statement for 2013-14. Requisite certificate will be placed at the Board meeting, inter alia, for approving annual accounts for 2014-15, in compliance with this clause.
<b>X. Report on Corporate Governance</b>	49 (X)		
A) Separate Section on Corporate Governance in the Annual Report	49 (X) (A)	Yes	Report on Corporate Governance formed part of the Annual Report 2013-14 separately and the same will form part of the Annual Report for 2014-15.
B) Submission of Quarterly Compliance Report to Stock Exchanges	49 (X) (B)	Yes	The Company has been submitting the quarterly Compliance Report on Corporate Governance to the BSE and NSE. Copies of the said report after submission to SEs are placed at every succeeding Board meeting of the Company.
<b>XI. Compliance</b>	49 (XI)		
A) Auditors Certificate regarding compliance of conditions of Corporate Governance	49 (XI) (A)	Yes	Complied in the Annual Report 2013-14; Auditors' certificate for F.Y. 2013-14 was sent to Stock Exchanges alongwith Annual Report. Will be Complied in the Annual Report for 2014-15 and Auditors' certificate for F.Y. 2014-15 shall also be sent to Stock Exchanges alongwith Annual Report 2014-15.



B) Mandatory & Non-Mandatory Requirements	49 (XI) (B)	Yes	Disclosures regarding compliance with the mandatory requirements and adoption / non-adoption of non-mandatory requirements under Clause 49 of the Listing Agreement on Corporate Governance were made in Annual Report 2013-14. Similar disclosures shall be made in the Annual Report for 2014-15.
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For TORRENT PHARMACEUTICALS LIMITED



MAHESH AGRAWAL  
 VP (LEGAL) & COMPANY SECRETARY

Encl.: Annex 1

**Annex 1**

**REPORT ON MATERIAL RELATED PARTY TRANSACTIONS WITH THE RELATED PARTIES UPTO 31<sup>ST</sup> DECEMBER, 2014 (FROM 1<sup>ST</sup> APRIL, 2014 TO 31<sup>ST</sup> DECEMBER, 2014)**

As per the Listing Agreement Clause 49 (VIII)(A), details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance.

Pursuant to the said clause the following is the material transaction taken place with the related parties upto 31<sup>st</sup> December, 2014 (from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> December, 2014):

<b>Sr. No.</b>	<b>Name of related party</b>	<b>Relation with Company</b>	<b>Description of Transactions</b>	<b>Value up to 31-Dec-14 (₹ in Cr.)</b>
1	Torrent Pharma Inc., USA	Subsidiary of the Company	Sale of finished goods	487.19
			Services received	3.14
			<b>TOTAL</b>	<b>490.33</b>

