

04<sup>th</sup> April, 2020

The Manager – Listing Dept.,  
National Stock Exchange of India Ltd.,  
Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No. C/1, G. Block,  
Bandra - Kurla Complex, Bandra (E),  
Mumbai – 400 051  
**(NSE Scrip Code: TORNTPHARM)**

Dear Sir,

**Sub.: Clarification**

We refer to below media reports today, indicating that National Stock Exchange of India Ltd has shortlisted Torrent Pharmaceuticals Ltd for surveillance action.

- Business Today
- Economic Times
- Money Control

In this context, we would like to bring to your notice the following:

- 1) **The promoters of Torrent Pharma have not pledged any equity shares they hold in Torrent Pharma for any purpose.**
- 2) They are obligated by virtue of certain covenants/ negative covenants agreed by Torrent Pharma in the loan agreements executed with various lenders that the promoters shall continue to hold Management Control (inter-alia holding at least 26% of the equity share capital of Torrent Pharma or otherwise) during the period such loans are outstanding. Further, such obligation is created in respect of loans raised by Torrent Pharma for the purposes of its business.
- 3) A pledge of shares is a security interest in favour of lenders & can be enforced by sale of such shares in event of default; whereas the covenants / negative covenants agreed under various loan agreements obligate the promoters not to sell a specified portion of their shares so long as loan given to the company is outstanding.
- 4) It may be noted that recently SEBI expanded the disclosure requirements (effective from 01-Oct- 19) in respect of promoters shares which are subject to any kind of encumbrance by specifically including the requirement to disclose covenant/ negative covenants / non disclosure undertaking given in respect of promoters holding in a listed company. In this context the foregoing disclosure was made by promoter of Torrent Pharma.

The above position was made abundantly clear in the disclosures filed with the stock exchange at various point in time.

Considering there are no pledge on the promoters' holding in Torrent Pharmaceuticals Limited, we believe surveillance action is not warranted and therefore request you to revisit & remove the surveillance action on the stock.

Kindly let us know if any further clarification is required in this regard.

Thanking you,

Yours Sincerely,

For TORRENT PHARMACEUTICALS LIMITED

SD/-

MAHESH AGRAWAL

VP (LEGAL) & COMPANY SECRETARY

Contact No: +91 79 26599000

CC:

The Dy. General Manager (Listing Dept.)

BSE Limited.,

Corporate Relationship Dept.,

1<sup>st</sup> Floor, New Trading Ring,

P. J. Towers, Dalal Street, Fort,

Mumbai - 400 001

**(BSE Scrip Code: 500420)**

Note - The above intimation is not provided on the letter head and also is not signed on account of Work from Home policy adopted by the Company due to coronavirus outbreak.