



50

WINNING YEARS. LIFE WINS.



Golden  
50  
years  
**WOCKHARDT** | **LIFE  
WiNS**

Annual Report 2016-17

# 50 WINNING YEARS. LIFE WINS.



As we celebrate our Golden Jubilee Year, we celebrate five decades of growth, success and achievements.

We celebrate performance and quality that wins global markets.

We celebrate R&D that wins patents and approvals.

We celebrate a work culture that wins awards and accolades.

We celebrate CSR activities that win hearts and smiles.

We celebrate 50 Winning Years.

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### FY 2016-17 Performance Highlights

SALES

US\$ **619** million

₹ 4,015 crore

OPERATING PROFIT (EBITDA)

US\$ **4** million

₹ 26 crore

PROFIT / (LOSS) AFTER TAX

US\$ **(30)** million

₹ (196) crore

EBITDA MARGIN

**1%**



## CHAIRMAN'S STATEMENT

### 50 Winning Years

It has been a 50 year saga of daring to dream, taking the road less travelled, making a mark, going global, gaining insights, exploiting opportunities, expanding horizons and building a work culture of excellence, innovation and creating value with values. Along the way, we also overcame odds, tided over crises, and learned from our mistakes to emerge stronger and stand taller.

### 50 Winning Years of Breakthrough R&D

Our eventful journey is characterised by our strong and consistent focus on building and strengthening our Research & Development capabilities. It was a long-term strategy that was designed to ensure sustainable growth through value creation. Our philosophy, outlook and approach to R&D is best expressed in the words of British biochemist and double Nobel Laureate in Chemistry, Frederick Sanger, who said, "Scientific research is one of the most exciting and rewarding of occupations. It is like a voyage of discovery into unknown lands, seeking not new territory, but new knowledge."

In particular, our focus on the anti-infectives space has yielded extremely promising results. As you are aware, our Drug Discovery Programme has won QIDP status by US FDA for 5 NCEs, 3 for gram positive organisms and 2 for gram negative organisms. They have now entered Phase II and Phase III of clinical trials.

Consider a few facts that will put this tremendous achievement in proper perspective. Over the last 10 years, global patents filed for antibacterial drugs have declined by 60%, whereas patents filed by Wockhardt in these 10 years have increased by 315%. There are 10 other companies who are involved in antibiotic research and collectively have 11 drugs in the pipeline at clinical stage. However, Wockhardt alone has five drugs.

## My Dear Shareowners

I am pleased to inform you that your Company is celebrating its 50th year in a long and heartening odyssey of growth, innovation and excellence. It is a milestone year that marks the progress of our journey. It is a measure of the path followed, as well as a sign of assurance that we are on the right track towards our destination. A destination that we have determined and defined as 'Life Wins'.

At Wockhardt, every success, achievement, discovery, innovation, breakthrough, award, accolade etc. is a winning step towards our destination. Let us together relive some milestones crossed along this journey as we celebrate 50 years of Wockhardt's endeavour to ensure that 'Life Wins'.

Wockhardt is the world's only pharmaceutical company to have 5 drugs under development given QIDP status by US FDA. The globally rising concern over AMR (Antimicrobial Resistance) and the promising developments of our Drug Discovery Programme have placed us on the cusp of an extremely exciting phase. We have now embarked on an abridged Phase III clinical trial for WCK 5222. This super drug is expected to be a life-saving destination therapy for serious hospital-acquired infections such as pneumonia, ventilator associated pneumonia, blood stream infections etc. We expect a global clinical launch of WCK 5222 during the year 2020-21.

These developments justify our industry-leading spends on R&D as a percentage of total sales year on year. In FY 2016-17, our R&D expense totaled ₹ 397 crore at 10% of total sales. Total R&D spend including capex was at ₹ 571 crore at 14% of total sales. This fiscal, we continued to build on our Intellectual Property base as we filed 311 patents and won 80 patents, taking cumulative patents filed to 2,904 and patents won to 553.

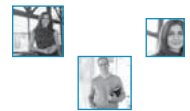
### 50 Winning Years of Spirited Performance

Wockhardt's 5-decade journey chronicles a performance characterised by a never-say-die spirit that soars in prosperity and endures in adversity. The efforts put in, the enthusiasm shown, and the commitment demonstrated by the organisation and its human capital isn't always truly and accurately reflected in the balance sheet.

During FY 2016-17, certain political and economic issues across geographies have adversely impacted revenues. The Brexit poll in UK and consequent volatility in various currencies; demonetisation in India; genericisation of some of our products in the US; and continuing compliance issues with US FDA have impacted revenues.

Our US business declined by 25% and our UK market business declined by 24%. Our UK business in GBP terms excluding the





one-time opportunity grew by 8% over the previous year. Our Emerging Markets business de-grew by 10% and our India business grew by 6%. We launched 24 new products in India. We filed 6 ANDAs with US FDA and have received 2 approvals in FY 2016-17, with 83 ANDAs pending approval.

In FY 2016-17, we posted consolidated revenues of ₹ 4,015 crore and a Profit After Tax of ₹ (196) crore. Our Net Debt increased to ₹ 1,981 crore as compared to ₹ 1,198 crore in FY 2015-16. Currently, Net Debt to Equity Ratio is 0.59 as compared to 0.32 as on March 31, 2016.

But as Robin Sharma, leadership speaker and author of 'The Monk Who Sold His Ferrari' series, says, "Difficult times disrupt your conventional ways of thinking and push you to forge better habits of thought, performance and being." And so it will for Wockhardt.

### 50 Winning Years of Regulatory Compliance

Over the years, we have established strategically-located, state-of-the-art manufacturing facilities across India, US and Europe. UK MHRA has confirmed compliance with the principles and guidelines of GMP for our manufacturing facilities at L-1, Chikalthana, Aurangabad and Kadaiya, Daman. HPRA (Health Products Regulatory Authority) Ireland has recently granted Certificate of GMP compliances to our Shendra, Aurangabad facility.

Our efforts towards remediation and compliances measures to address US FDA matters for our manufacturing facilities continue to be in place.

We have deployed substantial resources in terms of talent, technology and processes to ensure regulatory compliances and we have achieved steady progress. We will continue to implement measures towards remediation and compliance and are confident of achieving regulatory compliance soon.

### 50 Winning Years of World-class Healthcare

An important milestone crossed during Wockhardt's journey is the growth of Wockhardt Hospitals into a reputed chain of 8 super-speciality hospitals delivering world-class tertiary and quaternary healthcare services.

We take pride in announcing that two of Wockhardt's Hospitals, New Age Wockhardt Hospital, South Mumbai, and Wockhardt Super Speciality Hospital, Mira Road, have initiated their journey in quaternary care by establishing a comprehensive programme of multi-organ transplant, starting with some of the most challenging and complex cases in the field.

The New Age Wockhardt Hospital in South Mumbai, right from its commencement, is a benchmark in clinical care and sets standards for professionalism, clinical intervention and medical outcome. It has also become the first multi-speciality hospital in South Mumbai to be accredited with the prestigious Joint Commission International (JCI).

### 50 Winning Years of Committed CSR

For Wockhardt, social engagement and outreach is in its DNA. Corporate Social Responsibility was something that we took upon ourselves long before it became a buzzword or entered the purview of regulatory compliance. Our approach

to CSR is not that we have to do it but that we want to accept the responsibility and take great pride and satisfaction in it. American author H. Jackson Brown Jr. sums it aptly when he says, "Remember that the happiest people are not those getting more, but those giving more."

Wockhardt Foundation, in collaboration with various corporate partners including Wockhardt Hospitals, implements a host of social initiatives based on sound business principles of optimising resources, minimising costs and maximising delivery of effective long-term solutions and services. Wockhardt Foundation's social initiatives include mobile medical services, toy libraries, potable water, sanitation, e-learning, skill development etc. Our adoption of 21 villages near Aurangabad under the Adarsh Gram Yojana is a highlight of our endeavour to reach out to the underprivileged and empower them to transform their lives. Our CSR activities enable us to impact nearly 3 million lives every year.

### 50 Winning Years of Consistent Excellence

Wockhardt's journey of excellence is highlighted by numerous awards and accolades conferred by industry peers across national and international fora.

Team Wockhardt's competence, professionalism and superlative performance has been recognised and acknowledged all over the world, year after year. Comprising over 10,000 people across 27 nationalities spanning 6 continents worldwide, Team Wockhardt is an epitome of the work culture and mindset that is characteristic of the truly global organisation that Wockhardt is.

When asked on what high-performing companies should be striving to create, Marilyn Carlson, former CEO of Carlson Companies, Inc. replied, "A great place for great people to do great work."

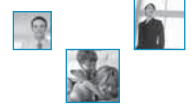
You couldn't describe Wockhardt any better considering that Wockhardt, Wockhardt Hospitals and Wockhardt Foundation have all won leading ranks in the prestigious 'Great Place to Work' Survey.

Continuing their winning spree in FY 2016-17, Wockhardt has notched up an impressive tally of 79 awards for excellence at an individual as well as at an organisational level across various industry platforms and categories.

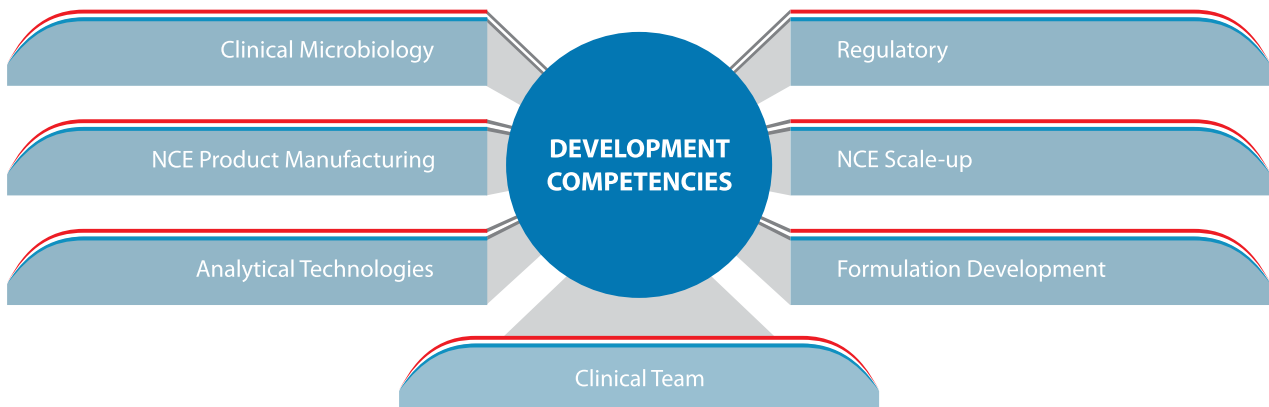
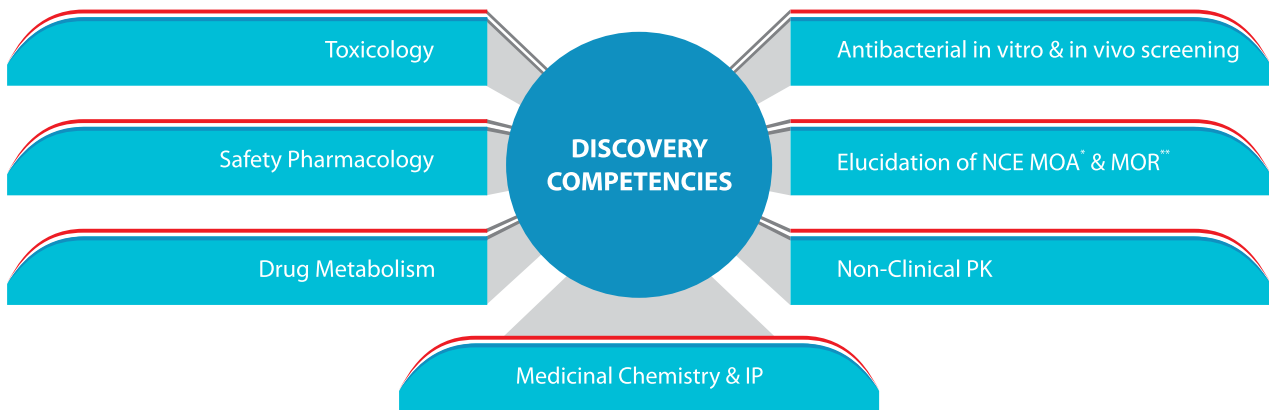
In conclusion, I quote Stephen Covey who said, "Your most important work is always ahead of you, never behind you." Hence, I look back at the last 50 years with great satisfaction and look forward with greater anticipation and hope. Our R&D efforts are bearing fruit. Our values are strong and our resolve to surpass ourselves, stronger still. 50 winning years is just another milestone.

The Wockhardt journey will continue.

Dr. Habil Khorakiwala,  
Founder Chairman & Group CEO



## End-to-End Discovery Research & NCE Development Competencies



\*Mechanism of Action | \*\*Mechanism of Resistance

3 R&D Centres

India  
UK  
USA

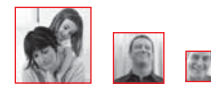
75 Doctorates

Chemistry  
Pharmaceutics  
Pharmacology  
Biotechnology  
Medicinal Chemistry  
Synthetic Organic  
Organic Synthesis  
Microbiology  
Molecular biology  
Clinical Microbiology  
Clinical Research  
Analytical Chemistry  
Regulatory Affairs

665 Professionals  
Comprise a  
Committed  
Research Team

**Research Areas**

- New Drug Discovery
- Recombinant Biopharmaceuticals
- Novel Drug Delivery
- Generics



## Winning Approvals and Patents. Life wins.

Our strong emphasis, deep focus, and continued financial commitment towards R&D is a result of our belief that it is the key to value creation and sustainable growth.

Our comprehensive multidisciplinary R&D capabilities spread across India, UK and USA, encompass a 665-strong team of highly qualified and experienced professionals backed by cutting-edge technology and state-of-the-art facilities.

Over the years, our strategic decision to focus on New Drug Discovery, Recombinant Biopharmaceuticals, Novel Drug Delivery and Generics, has been highly successful, satisfying and encouraging. Specifically, our two-decade long efforts in developing new antibiotics has yielded breakthrough developments in 5 new drugs that have received QIDP status from US FDA in the last fiscal. A milestone achievement in

FY 2016-17 has been the permission from US FDA to begin abridged Phase III clinical trials for WCK 5222, a super drug expected to be a life-saving destination therapy for serious hospital-acquired infections such as pneumonia, ventilator associated pneumonia, blood stream infections etc.

With a product pipeline that focuses on less competitive and difficult to replicate products, Wockhardt has built a strong Intellectual Property (IP) base filing patents and developing products for Abbreviated New Drug Applications (ANDAs) for the US and European markets.

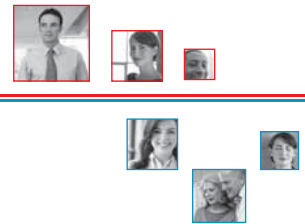
During FY 2016-17, Wockhardt filed 6 ANDAs with US FDA and was granted 2 approvals. Wockhardt also filed 311 patents and won 80 patents, taking cumulative patents filed to 2,904 and patents won to 553.

## 5 NCEs with QIDP Status from US FDA

NCE	WCK 5222 Phase III (US)	WCK 4282 Phase III (US)	WCK 4873 Phase II (US)	WCK 2349/WCK 771 Phase III (India)	
<b>Indication Potential</b>	Complicated Urinary Tract Infections (UTIs) and Hospital Acquired Bacterial Pneumonia (HABP/VABP)	Complicated Urinary Tract Infections (UTIs) and Hospital Acquired Bacterial Pneumonia (HABP/VABP)	Community-acquired Bacterial Pneumonia (CABP)	Complicated Skin and Skin Structure Infections (cSSTI or ABSSSI) and Hospital Acquired Bacterial Pneumonia (HABP/VABP), Diabetic foot infection, CABP	
<b>Pathogen Coverage</b>	E.coli, Pseudomonas, Klebsiella, Enterobacter Acinetobacter, including MBL, KPC and ESBL expressing pathogens	E.coli, Klebsiella, Enterobacter, including ESBL, KPC expressing strains and Pseudomonas	MDR Pneumococci, S.pyogenes, S. aureus, H.influenzae, atypical pathogens like Mycoplasma, Chlamydia, Legionella	MRSA, VRSA, VISA and Ciprofloxacin sensitive Gram-negatives, MDR Pneumococci, S.pyogenes, H.influenzae, atypical pathogens like Mycoplasma, Chlamydia, Legionella	
<b>Dosage Form</b>	IV	IV	Oral	Oral	IV







**Dr. Murtaza Khorakiwala**  
Managing Director

## WINNING MARKETS AND AWARDS. LIFE WINS.

As a global, research-based pharmaceutical and biotechnology company, we have come a long way. Wockhardt today is an Indian MNC with a multi-ethnic global workforce spanning 27 nationalities; 11 manufacturing facilities across India, the US and Europe; and 3 cutting-edge R&D facilities in India, UK and US.

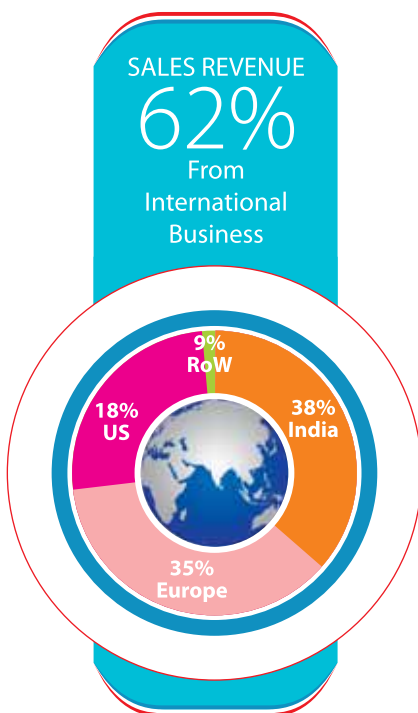
To maintain our edge in a field that is as highly competitive as it is closely regulated, we have to constantly reinvent ourselves by focusing and building on core values and intrinsic strengths.

The measure of any organisation is the quality of its leadership. At Wockhardt, we have taken significant steps to strengthen leadership and improve and enhance organisational development. The new leadership team in place has brought about visible change that has resulted in an organisational turnaround that has led to improved product availability, better quality and true value addition.

The compliances pertaining to US FDA have our full attention and we are in the process of addressing them to a positive outcome.

Congratulations are in order for Team Wockhardt as it continued with its winning streak of winning several awards for excellence this year too.

Finally, the tremendous achievement of Wockhardt's R&D team cannot be highlighted enough. Thanks to their long and focused endeavour in New Drug Discovery in antibiotics, Wockhardt today is the only pharmaceutical company in the world to have 5 NCEs with QIDP status from US FDA that are in Phase II & Phase III clinical trials. A milestone achievement indeed in a milestone year for Wockhardt!



### OUR EUROPEAN EDGE

Amongst Top 3 Indian Generic companies in UK	Second largest (by volume) Generic supplier to the Hospital Sector in Ireland	Amongst Top 3 Generic companies in Ireland
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### OUR INDIA EDGE

<b>5</b> Brands	Amongst Top 300 brands of IPM in India	<b>4th</b> Position	In pain management
<b>6th</b> Position	In vaccines		

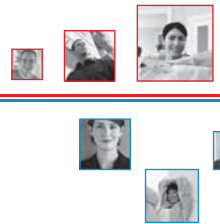


**WOCKHARDT** FOUNDATION | **LIFE WINS**  
A SOCIAL INITIATIVE

**Over 55.24 million Lives Times Touched**

Mobile 1000	105 Vans (20.23 Lakh Patients Checked)	
Wockhardt + Health Centres	6,840 Patients Benefitted	
Little Hearts	85 Congenital Heart Surgeries	
Pronto Toilet	993 Toilets	
Pronto Bio-Toilet	287 Bio-Toilets	
E- Learning	356 Schools; 1.78 Lakh Children	
Khel Khel Mein	29 Toy Libraries; 2,428 Children	
Wockhardt Skills Development Institute	303 Students Trained	
Shudhu Water Purification Tablets	6.06 Lakh Tablets Distributed	
Zab	850 Desks + School Bags Distributed	
Swachh Bharat Recycle Machine	10 Machines installed at 9 Railway Stations in Mumbai	

**TOTAL BENEFICIARIES: 55.24 million times people benefitted**



**Dr. Huzaifa Khorakiwala**  
Executive Director, Wockhardt  
Trustee & CEO, Wockhardt Foundation

## WINNING HEARTS AND SMILES. LIFE WINS

Wockhardt Foundation is an ISO 9001:2015 certified, not-for-profit organisation with a national footprint, providing social and welfare services and solutions to improve and enhance the quality of life of the underprivileged.

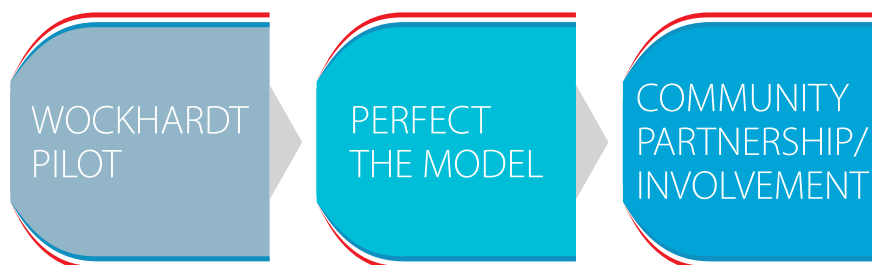
Partnering with several corporate entities including Wockhardt Hospitals, Wockhardt Foundation operates its social programmes based on 3 Bs - Big, Best and Bold. The Big ensures scale, the Best ensures quality, and the Bold ensures need. Wockhardt Foundation is governed by a simple philosophy, 'where every smile counts'.

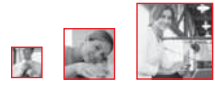
Wockhardt Foundation has around 21 on-going programmes and initiatives with a mission to build, develop and empower underprivileged communities, of which Mobile 1000 is our flagship initiative. Mobile 1000 aims at operating 1000 Mobile Health Vans in rural India administering free primary healthcare to 2.5 million Indians every year. As of date, there are 105 Mobile 1000 Vans operating in 18 states. Our other programmes like Little Hearts, Pronto Toilet, Pronto Bio-Toilet, E-Learning, Khel Khel Mein, Wockhardt Skills Development Institute, and SHUDHU water purification tablets have had a significant impact benefitting millions of lives.

Our initiative under the Adarsh Gram Yojana was scaled up to include 20 more villages besides Abdimandi. Seven key elements of this initiative are Literacy, Primary healthcare, Sanitation, Employment, Water security and purity, Electrification and Cleanliness. This fiscal, we initiated the 'Satat Jal' exercise with community participation in 9 of 21 villages adopted by the Foundation under the programme. The efforts put in and measures taken to ensure water conservation and security included widening, deepening and desilting of water holding structures, and rain water harvesting and recharging of groundwater aquifers. The participation by the community was overwhelming and the results were heartening. Today, 3000 households in 9 villages have sufficient drinking water and its womenfolk don't have to trudge over long distances for potable water, and around 400 farmers had improved livelihoods through the rabbi season crops.

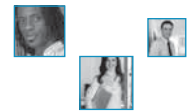
The Foundation hopes to replicate this success in the other adopted villages as water security will go a long way in building a more sustainable future.

### Wockhardt Foundation Programme Execution Policy









**Zahabiya Khorakiwala**  
Managing Director  
Wockhardt Hospitals\*

## WINNING TREATMENTS AND CURES. LIFE WINS

Wockhardt Hospitals is one of India's leading chains of super-speciality hospitals offering tertiary and quaternary healthcare services benchmarked to international standards.

A chain of 8 state-of-the-art hospitals with a strong presence across western India, we follow process-driven quality systems that adhere to international standards of clinical care, safe environment, infection control and respect for patients' rights & privacy. It is our dedicated endeavour to enrich the quality of life of every patient in a caring and nurturing environment with the greatest respect for human dignity and life.

In pursuance of our vision to establish new-age medical facilities in India along with a high degree of clinical excellence, we have entered into strategic alliances with Partners Medical International, USA, which gives Wockhardt Hospitals access to Harvard's expertise and experience in the fields of surgery and other Medicare services.

Most of our doctors/surgeons have been trained or have worked extensively at some of the best medical institutions in US, Europe and other advanced countries. Not surprisingly, Wockhardt Hospitals in India is a preferred destination for patients

from Europe, USA, Africa, Middle East and South Asia.

Along with offering comprehensive treatment and healthcare facilities in specialities like Cardiology, Neurosurgery, Orthopaedics, Critical Care, Oncology, Nephrology, Urology etc., Wockhardt Hospitals has forayed into multi-organ transplantation by establishing a wide-ranging programme at New Age Wockhardt Hospitals, South Mumbai and Wockhardt Super Speciality Hospital, Mira Road.

The New Age Wockhardt Hospital in South Mumbai has also become the first multi-speciality hospital in South Mumbai to be accredited with the prestigious Joint Commission International (JCI). The hospital has achieved this accreditation within 3 years of operation, which is an unparalleled feat.

**118,937**  
CARDIAC  
PROCEDURES

Angiographies,  
Angioplasties, Bypass,  
Open heart & Cardiac  
valve surgeries  
for adult &  
paediatric patients

**17,454**  
ORTHOPAEDIC  
PROCEDURES

Knee & hip  
replacements,  
Poly-trauma  
surgeries, Complex  
fracture surgeries...

**189,650**  
SURGICAL  
PROCEDURES

Organ transplants,  
Complex brain  
surgeries,  
Endoscopic  
spine surgeries...

\* Wockhardt Hospitals, an unlisted company, is part of the Wockhardt Group



## BOARD OF DIRECTORS



### **Dr. HABIL KHORAKIWALA**

Founder Chairman & Group CEO

Dr. Habil Khorakiwala founded Wockhardt in 1967. Today, the Wockhardt Group is India's leading research-based global healthcare enterprise with relevance in the fields of Pharmaceuticals, Biotechnology, Active Pharmaceutical Ingredients (APIs) and Super Speciality Hospitals. An alumnus of Purdue University and Harvard Business School, he is the only non-American in the 125-year history of Purdue University to be awarded an Honorary Doctorate, the highest award that they bestow.

A member of the World Economic Forum, Dr. Khorakiwala has held many senior positions as an industry representative, and has been lauded and awarded by various institutions and organisations. As a former president of FICCI (Federation of Indian Chambers of Commerce & Industry), he has met and shared India's business and economic dynamics with many Presidents, Prime Ministers and Heads-of-State.

He is currently the Chairman of the Board of Governors at the Centre for Organisation Development in Hyderabad, a non-profit, scientific and industrial research organisation and a recognised doctoral research centre. He is also the Chancellor of Jamia Hamdard University, New Delhi, which has emerged as an outstanding institution of higher learning with distinct and focused academic programmes.



### **Mr. SHEKHAR DATTA**

Non-Executive Independent Director

Mr. Shekhar Datta has been a Director of the Company since 2000. A mechanical engineering graduate, Mr. Datta has served as Managing Director of Greaves Cotton Limited, Chairman of Bombay Stock Exchange, and held directorships of Crompton Greaves Limited, Industrial Development Bank of India Limited, and other corporates. Mr. Datta is a former member of the International Business Advisory Board of UNIDO, former President of the Confederation of Indian Industry (CII), Bombay Chamber of Commerce & Industry, and Indo-Italian Chamber of Commerce & Industry.



### **Mr. AMAN MEHTA**

Non-Executive Independent Director

Mr. Aman Mehta has been a Director of the Company since 2004. An Economics graduate, he has over 35 years of experience in various positions with the HSBC Group. He headed HSBC operations in the Middle East, America and Asia Pacific.



### **Mr. D S BRAR**

Non-Executive Independent Director

Mr. D S Brar has been a Director of the Company since August 2012. He is a B.E. (Electrical) from Thapar Institute of Engineering & Technology, Patiala, and holds a Master's degree in Management (Gold Medallist) from Faculty of Management Studies, University of Delhi.

Mr. Brar has been associated with the Pharmaceutical Industry for over three decades and his major stint was at Ranbaxy Laboratories, where he rose to become the CEO & Managing Director in the year 1999.

Mr. Brar also served as a Director of RBI, member on the Board of National Institute of Pharmaceutical Education & Research, and member of the Board of Governors of IIM, Lucknow. Mr. Brar serves on the Boards and acts as an Advisor to companies like Maruti Suzuki, Mphasis, Gland Pharma, Bain Consulting and start-ups funded by Private Equity and Venture funds. He is currently member of the Consultative Group on Exports of Pharmaceutical Products under the Chairmanship of the Hon'ble Minister of Commerce, Industry & Textiles, Government of India.

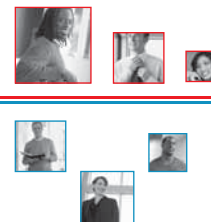


### **Dr. SANJAYA BARU**

Non-Executive Independent Director

Dr. Sanjaya Baru has been a Director on the Board of Wockhardt since April 2012. With a Ph.D and a Master's degree in Economics from Jawaharlal Nehru University, New Delhi, Dr. Baru is a Honorary Senior Fellow, Centre for Policy Research, New Delhi.

In the past, Dr. Sanjaya Baru was the official spokesman and media advisor to the Prime Minister of India and has also served as director of Geo-economics and Strategy at the International Institute for Strategic Studies (IISS), London, editor of the Business Standard, chief editor of The Financial Express and as associate editor of The Economic Times and The Times of India.



**Mrs. TASNEEM MEHTA**

Non-Executive Independent Director

Mrs. Tasneem Mehta has been a Director on the Board of Wockhardt since September 2014. Mrs. Mehta is an art historian, writer, curator, designer and museum expert who has studied Fine Arts and Design at the Sir J. J. School of Art, Mumbai. She holds an undergraduate degree in Political Philosophy from Columbia University, New York, a master's degree in English from the University of Delhi, and a postgraduate diploma in Art History from London.

Mrs. Mehta has successfully pioneered the revival and restoration of several of Mumbai's important cultural sites. In 2010, she was elected Vice Chairman of INTACH, the Indian National Trust for Art and Cultural Heritage and has been the Convenor of the Mumbai Chapter and member of the Governing Council since 1996. Since 2003, Mrs. Mehta is the Managing Trustee and Honorary Director of the Dr. Bhau Daji Lad Museum, Mumbai City Museum, (the erstwhile Victoria and Albert Museum) which won the prestigious UNESCO 2005 Asia Pacific 'Award of Excellence' for Cultural Conservation.



**Mr. BALDEV RAJ ARORA**

Non-Executive Independent Director

Mr. Baldev Raj Arora has been a Director on the Board of Wockhardt since May 2015. Mr. Arora holds a bachelor's degree in Mechanical Engineering from Punjab Engineering College, Chandigarh. He graduated from the Senior Management Development Programme at Asian Institute of Management, Manila, Philippines, and Executive Education Programme from Michigan Business School at Ann Arbor, Michigan, USA.

He has worked with leading MNCs for over 44 years and has a proven track record of building high performance customer-oriented teams, giving outstanding results on a sustained basis. He successfully managed publicly listed companies of MNCs in India for over 10 years as Chairman/Managing Director. He started his career in the Life Sciences industry with Warner Lambert (now Pfizer) in India and retired from Nestle S.A. in March 2015 as Regional President, Asia & Pacific Rim for Wyeth nutrition business of Nestle S.A.



**Mr. VINESH KUMAR JAIRATH**

Non-Executive Independent Director

Mr. Vinesh Kumar Jairath has been a Director on the Board of Wockhardt since November 2016. Mr. Jairath joined the Indian Administrative Service in 1982 and served in various important positions in Govt. of Maharashtra and Govt. of India till March 2008, when he took voluntary retirement. He has served as the Managing Director of SICOM and subsequently as Principal Secretary of Industries at Government of Maharashtra until 2008. He has over 25 years of experience in public administration, rural development, poverty alleviation, infrastructure planning and development and infrastructure financing, finance, industry, urban development, and environmental management, while occupying important positions in Govt.



**Dr. HUZAIFA KHORAKIWALA**

Executive Director

Dr. Huzaifa Khorakiwala is a Bachelor of Commerce graduate from Mumbai University. He holds a Master's degree in Business Management from Yale University School of Management, USA. He joined the Company in July 1996 and has over the years run various Wockhardt businesses and served in Corporate Administration. He is the Executive Director of the Company since April 2009.

Dr. Huzaifa Khorakiwala devotes a significant part of his time to Wockhardt's corporate social responsibility activities. He serves as Trustee & CEO of Wockhardt Foundation.

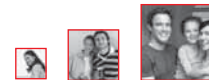


**Dr. MURTAZA KHORAKIWALA**

Managing Director

Dr. Murtaza Khorakiwala represents a unique blend of scientific knowledge and business acumen. A graduate in Medicine from GS Medical College, Mumbai, India, and Master in Business Administration (MBA) from the University of Illinois, USA, he has been Managing Director of Wockhardt Limited since April 2009.

Thinking out of the box, challenging assumptions and innovation are some of the key principles that shape his strategic thought process. His young and dynamic leadership has become the ideal springboard for various corporate initiatives in creating a new Wockhardt. A member of the executive committee of the Indian Pharmaceutical Association (IPA), he was the past Chairman of the Marketing Committee of the Bombay Management Association.



## BOARD'S REPORT

Dear Members,

The Board of Directors take pleasure in presenting the Eighteenth Annual Report of the Company along with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2017.

## FINANCIAL RESULTS AND HIGHLIGHTS

Particulars	₹ in Crore)	
	Year ended March 31, 2017	Year ended March 31, 2016
<b>Consolidated</b>		
Total Revenue	4,129	4,519
Profit Before Depreciation, Finance Cost & Tax	127	560
Profit/(Loss) Before Exceptional Items & Tax	(247)	289
Profit/(Loss) Before Tax	(247)	289
Tax expense - credit/(charge)	21	(37)
Profit/(Loss) After Tax	(226)	252
Other Comprehensive Income/(Loss)	(182)	135
Total Comprehensive Income/(Loss)	(408)	387
<b>Standalone</b>		
Total Revenue	2,546	2,278
Profit Before Depreciation, Finance Cost & Tax	393	187
Profit Before Tax	119	(20)
Tax expense - credit/(charge)	18	28
Profit After Tax before other Comprehensive Income	137	8
Total Comprehensive Income	136	8

The consolidated total revenue of the Company for the financial year ended 31<sup>st</sup> March, 2017 stood at ₹ 4,129 crore as compared to ₹ 4,519 crore of previous year. The total comprehensive loss for the year stood at ₹ 408 crore vis-à-vis ₹ 387 crore total comprehensive income of previous year.

On Standalone basis, the Company registered total revenue of ₹ 2,546 crore as compared to ₹ 2,278 crore during previous year. Total Comprehensive Income for the year stood at ₹ 136 crore vis-à-vis ₹ 8 crore of previous year.

The financial statements for the year ended 31<sup>st</sup> March, 2017 are the Company's first IND AS Financial Statements and accordingly previous year ended 31<sup>st</sup> March, 2016 have been restated to comply with IND AS and make them comparable.

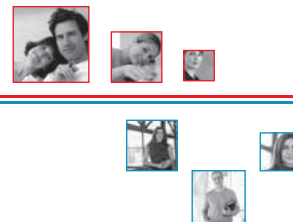
## STATE OF COMPANY'S AFFAIRS

The Company continued its focus on Research & Development during the year with its consolidated R&D expenses at ₹ 397 crore (9.62% of consolidated revenue). In pursuit of creating a strong Intellectual Property (IP) base, the Company as on 31<sup>st</sup> March, 2017, cumulatively filed 2,904 patents and holds 553 patents worldwide.

During the year, certain politico-economic issues beyond the control of the Company like Brexit in UK and consequent volatility in various currencies like USD-GBP, USD-INR, USD-Euro, De-monetisation in India and ongoing US Food and Drugs Administrator ("US FDA") related matters had adversely affected the Revenue growth. Whereas the Company had a "one time opportunity" of business in UK in the previous year, growth in UK in the current year remained subdued due to such politico-economic adversities. In USA, genericisation of some of the products of the Company also impacted business. While clear focus on cost containments and rationalisation gave positive impact, on-going expenses on remedial measures (for US FDA related issues) impacted the profitability. The strategic focus of the Company in R&D initiatives in the global arena though impacted the profitability of the Company, it would be noteworthy to mention that such strategic R&D spends are for the future even if they are expensed off. However, the Company, during the year, recognised the importance of prudence in R&D spent & took cognisance of the business cyclicality, subdued growth & profitability and had tried to optimise expenses that could be deferred without compromising the Company's vision on R&D.

The Company's New Chemical Entity ('NCE') research program continued to get major boost during the Financial Year 2016-17





with US FDA granting abridged clinical trial for Phase III for Wockhardt's Superdrug antibiotic WCK 5222. This was based on the evaluation by US FDA of its preclinical and clinical data of Phase I establishing safety and clinical scope of efficacy for the drug. WCK 5222 contains Zidebactam coming out of Wockhardt's Drug Discovery team of 140 strong scientists working for antibiotic research for past two decades.

WCK 5222, a combination of Zidebactam and Cefepime, meets the urgent threat of Carbapenem-resistant Enterobacteriaceae and serious threats like Multidrug-resistant Acinetobacter, Extended spectrum  $\beta$ -lactamase producing Enterobacteriaceae (ESBLs), Drug-resistant Salmonella typhi and Multidrug-resistant Pseudomonas aeruginosa and was granted a breakthrough fast track clinical trial and approval process under Qualified Infectious Disease Product (QIDP)<sup>1</sup> status in FY 2015-16. It would not be out of context to mention that one of the constituents of WCK 5222 i.e. Zidebactam is an antibiotic with a novel and unique drug discovery with  $\beta$ -lactam enhancer mechanism. This new class of antibiotic is a result of over three decades of discovery effort globally. Zidebactam facilitates overcoming of multiple resistance mechanisms in Gram negative superbugs, including the most dreaded mechanism called New Delhi metallo  $\beta$ -lactamase (NDM) that renders the last line of antibiotics (carbapenems) ineffective. It is also notable to mention that WCK 5222 is also active against the recently reported colistin-resistant strains of Gram negative pathogens.

WCK 5222, on its successful completion of clinical trials, is expected to be a life-saving destination therapy for serious hospital-acquired infections such as pneumonia, ventilator associated pneumonia, blood stream infections and will save many lives worldwide and in India.

During the year, WCK 5222 was also well documented in scientific community by substantive oral and scientific poster presentation at ASM Microbe at Boston, USA and ECCMID at Amsterdam, Netherland and ID week at New Orleans, USA.

The Company's other NCE successes like WCK 4282 and WCK 4873 that had distinction of QIDP status by US FDA previously, have entered, during the year, into Phase II clinical trial processes in USA and globally.

With significant developmental successes in NCE, Wockhardt became the only Company to have five QIDP status globally.

Keeping in view the strategic R&D focus, the Company, over the period raised long term financial resources in terms of Borrowings to ensure adequate liquidity in the system to withstand any major Polito-economic volatility in the Global market and that strategy seemed to be working well during the year with commensurate liquidity being maintained in the system in terms of Cash & Bank balances including short term investments. This ensured uninterrupted R&D activities which is expected to garner significant positives for the Company in the future in Generics, Bio-similar & NCEs.

During the year, your Company has successfully launched consumer health products in Malaysia & filed same in Australia. Biosimilar filings are in progress in many emerging markets. The Company's State of Art manufacturing facility in Jebel Ali Free Trade Zone (JAFZA), Dubai, UAE for manufacturing of speciality drugs for the US / European markets has also progressed well.

On a significant positive, the Company received approvals of UK MHRA for its manufacturing facility at L-1, Chikalhana, Aurangabad and reduced the inspection frequency to 2 years from existing frequency of 1 year. UK MHRA also has confirmed compliance with the principles and guidelines of GMP for the Company's manufacturing facility at Kadaiya, Daman. HPRA (Health Products Regulatory Authority), Ireland inspected the manufacturing facility at Shendra, Aurangabad during the year.

The Company had received approvals for its two ANDAs from a third party manufacturing facility which is an important development.

The Company, keeping in view its on-going US FDA related issues, started taking long term initiatives to outsource some of its approved ANDAs to third party manufacturing site and considerable work is underway that is expected to result positively in the coming years and de-risk the Company.

There is no change in the nature of business of the Company or any of its subsidiaries.

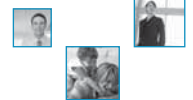
### CREDIT RATING

India Ratings & Research Private Limited (Fitch Group) has reaffirmed the Company's Rating for Short Term Bank facilities rating as 'IND A1+' and assigned the Company's Long Term loan facilities rating as 'IND AA-' from 'IND AA'.

Further, Credit Analysis & Research Ltd. ('CARE') has reaffirmed your Company's Rating for total Working Capital limit as "CARE AA" and "CARE A1+" for Long Term Bank Facilities (Fund Based) and Short Term Bank Facilities (Non-Fund Based) respectively.

CARE Rating has also assigned 'CARE AA' rating for the proposed issue of Non-Convertible Debentures of ₹ 250 crores of your Company.

<sup>1</sup> QIDP status is granted to drugs, identified by CDC (Centre for Disease Control, USA), that act against pathogens which have a high degree of unmet need in their treatment. QIDP status provides fast track clinical development and review of the drug application by US FDA for drug approval. The drug is also awarded five-year extension of market exclusivity. QIDP was constituted under Generating Antibiotic Incentives Now (GAIN) Act in 2012 as part of the FDA Safety and Innovation Act to underline the urgency in new antibiotics development.



## DIVIDEND AND RESERVES

During the year 2016-17, the Board of Directors of the Company declared and paid interim dividend @ 200% (₹ 10/- per equity share of ₹ 5/- each) absorbing a sum of ₹ 110.55 crore. The said interim dividend is proposed to be made as final dividend for the Financial Year ended 31<sup>st</sup> March, 2017.

The Board recommend dividend @ 0.01% (₹ 0.0005 per Preference Share of ₹ 5/- each) on 47,56,59,941 Non-Convertible Cumulative Redeemable Preference Shares of ₹ 5/- each and 12,14,54,927 Optionally Convertible Cumulative Redeemable Preference Shares of ₹ 5/- each absorbing a sum of ₹ 298,557/-.

No amount is proposed to be transferred to the General Reserves of the Company out of the profits for the year.

## DIVIDEND DISTRIBUTION POLICY

During the year under review, your Company has adopted Dividend Distribution Policy which aims at striking the right balance between the quantum of dividend paid to its shareholders and the amount of profits retained for its business requirements, present and future. The intent of the Policy is to broadly specify various external and internal factors that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend. The policy is available on the website of the Company, weblink thereto is <http://www.wockhardt.com/files/dividend-distribution-policy.pdf>

## SHARE CAPITAL

During the year under review, the paid-up equity share capital of the Company increased from ₹ 55,25,44,515/- to ₹ 55,27,40,140/- pursuant to the allotment of 39,125 equity shares of ₹ 5/- each against exercise of stock options granted under Wockhardt Employees' Stock Option Scheme – 2011 ('the Scheme').

There was no issue of equity shares with differential voting rights and sweat equity shares during the year 2016-17. The Company does not have any scheme to fund its employees to purchase the shares of the Company. Further, no shares have been issued to employees of the Company except under the Scheme mentioned above.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Vinesh Kumar Jairath (DIN: 00391684) was appointed as an Additional Director (Non-Executive, Independent) with effect from 10<sup>th</sup> November, 2016. The resolution for the appointment of Mr. Vinesh Kumar Jairath as an Independent Director for a term upto 9<sup>th</sup> November, 2021 is placed for the approval of Members of the Company at the ensuing AGM.

All the Independent Directors have furnished Declaration of Independence stating that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and there has been no change in the circumstances which may affect their status as Independent Directors during the year.

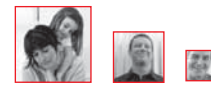
Pursuant to the provisions of Section 152 of the Companies Act, 2013, Dr. Murtaza Khorakiwala, Managing Director (DIN : 00102650) retires by rotation as Director at the ensuing AGM and being eligible, offers himself for the re-appointment. The Board recommends his re-appointment.

A brief resume and other details of Dr. Murtaza Khorakiwala seeking re-appointment and of Mr. Vinesh Kumar Jairath are provided in the Notice.

In accordance with the provisions of Section 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Dr. Murtaza Khorakiwala, Managing Director, Mr. Manas Datta, Chief Financial Officer and Mr. Narendra Singh, Company Secretary & Compliance Officer are the Key Managerial Personnel ("KMP") of your Company.

## MEETINGS

During the financial year 2016-17, the meetings of the Board of Directors and Audit Committee were held 4 (four) times each. Details of these meetings and other Committees/General Meeting are given in the Report on Corporate Governance forming part of this Annual Report.



### AUDIT COMMITTEE

As on 31<sup>st</sup> March, 2017, the Audit Committee comprises of Mr. Shekhar Datta, Chairman, Mr. Aman Mehta, Mr. Davinder Singh Brar, Dr. Sanjaya Baru, Ms. Tasneem Mehta, Mr. Baldev Raj Arora and Mr. Vinesh Kumar Jairath as its Members. All the Members of the Committee are Independent Directors and recommendations made by the Audit Committee were accepted by the Board of Directors of the Company. Further, the Committee has carried out the role assigned to it. Other details about the Audit Committee and other Committees of the Board are provided in the Report on Corporate Governance forming part of this Annual Report.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3)(c) of the Companies Act, 2013, the Directors state that:

- (a) in the preparation of Annual Accounts for the year ended 31<sup>st</sup> March, 2017, the applicable Accounting Standards have been followed and that no material departures have been made from the same;
- (b) such Accounting Policies as mentioned in the Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2017 have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year ended 31<sup>st</sup> March, 2017;
- (c) proper and sufficient care has been taken for the 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;
- (d) the Annual Accounts for the year ended 31<sup>st</sup> March, 2017 have been prepared on a going concern basis;
- (e) the internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and operating effectively; and
- (f) proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems are adequate and operating effectively.

### STATUTORY AUDITORS AND AUDITORS' REPORT

At the Annual General Meeting ('AGM') of the Company held on 15<sup>th</sup> September, 2014, Haribhakti & Co. LLP, Statutory Auditors of the Company were appointed for a term of five years i.e. till the conclusion of 20<sup>th</sup> AGM subject to ratification of their appointment at every AGM of the Company. The resolution for ratification of their appointment is placed for approval of Members of the Company at the ensuing AGM. The Company has received a letter from Statutory Auditors confirming that they are eligible for ratification of their appointment.

The reports of the Statutory Auditors on Standalone and Consolidated Ind AS Financial Statements forms part of this Annual Report. The Auditors' Report does not contain any qualification, reservation and adverse remark. However, the Auditors have made Emphasis of Matter in their Report on the Consolidated Ind AS Financial Statement which is self explanatory. The details have also been provided in Note 43(f) to the said Consolidated Ind AS Financial Statements.

### COST AUDIT

Pursuant to the provisions of Section 148 of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time and as recommended by the Audit Committee, the Board of Directors of the Company appointed M/s. Kirit Mehta & Co., Cost Accountants as Cost Auditors to conduct the audit of cost records of the Company for the financial year 2017-18. The Company has received consent from M/s. Kirit Mehta & Co. to act as Cost Auditors. Further, pursuant to the aforesaid provisions of the Act, the remuneration payable to M/s. Kirit Mehta & Co. for conducting the cost audit of the Company for the financial year ending on 31<sup>st</sup> March, 2018 needs to be ratified by the Members of the Company and resolution for the said ratification is placed for approval of Members of the Company at the ensuing AGM.

The Cost Auditors' Report for the financial year ended 31<sup>st</sup> March, 2016 did not contain any qualification, reservation, adverse remark, disclaimer or emphasis of matter and the same was duly filed with the Ministry of Corporate Affairs within the due date.

### SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made thereunder, the Board of Directors of the Company had appointed Mr. Virendra Bhatt, Practising Company Secretary to conduct Secretarial Audit of the Company for the year ended 31<sup>st</sup> March, 2017. The Secretarial Audit Report issued by Mr. Virendra Bhatt does not contain any qualification, reservation, adverse remark or disclaimer and the same is annexed as Annexure I to this Report.

### EXTRACT OF ANNUAL RETURN

An extract of the Annual Return as prescribed under Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 is annexed as Annexure II to this Report.



### EMPLOYEE STOCK OPTIONS

Pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014 and other applicable laws, if any, the required disclosures as on 31<sup>st</sup> March, 2017 are annexed as Annexure III to this Report.

During the year under review, there were no changes in the Employee Stock Option Scheme and the same is in compliance with the said Regulations.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and pursuant to the recommendation of the CSR Committee, CSR Policy as approved by the Board is uploaded on the website of the Company [www.wockhardt.com](http://www.wockhardt.com). CSR Policy contains the CSR activities which can be carried out by the Company, governance structure and implementation process etc.

The Average Net Profit of the Company for the immediately preceding 3 financial years calculated as per Section 198 of the Companies Act, 2013 was negative. Hence, no amount was required to be spent on CSR activities during the financial year 2016-17. However, as a continuing corporate governance practice, the Company contributed ₹ 7.92 crore to Wockhardt Foundation, CSR arm of the Company, for spending on CSR activities which has undertaken CSR projects in the areas of healthcare and education etc.

The details on CSR activities as required under Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, is annexed as Annexure IV to this Report.

### POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS

The Company has been following well laid down policy on appointment and remuneration of Directors, KMP and Senior Management Personnel.

The appointment of Directors is made pursuant to the recommendation of Nomination and Remuneration Committee (NRC). The remuneration of Executive Directors comprises of Basic Salary, Perquisites & Allowances and follows applicable requirements as prescribed under the Companies Act, 2013. Approval of shareholders and the Central Government, as the case may be, for payment of remuneration to Executive Directors is sought, from time to time.

The remuneration of Non-Executive Directors comprises of sitting fees & commission, if any, in accordance with the provisions of Companies Act, 2013 and reimbursement of expenses incurred in connection with attending the Board meetings, Committee meetings, General meetings and in relation to the business of the Company.

A brief of the Remuneration Policy on appointment and remuneration of Directors, KMP and Senior Management is provided in the Report on Corporate Governance forming part of this Annual Report. Further, the policy is available on the website of the Company and the weblink thereto is <http://www.wockhardt.com/pdfs/wl-remuneration-policy.pdf>

NRC have also formulated criteria for determining qualifications, positive attributes and independence of a director and the same have been provided in the Report on Corporate Governance forming part of this Annual Report.

### PERFORMANCE EVALUATION OF DIRECTORS

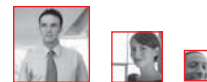
The Nomination and Remuneration Committee of the Board of Directors of the Company have laid down criteria for performance evaluation of the Board of Directors including Independent Directors. Pursuant to the requirement of the Companies Act, 2013, the SEBI Listing Regulations and Criteria specified in the SEBI Guidance Note on Board Evaluation, the Board has carried out the annual performance evaluation of entire Board, Committee and all the Directors based on the parameters as detailed in the Report on Corporate Governance forming part of this Annual Report. The parameters of performance evaluation were circulated to the Directors in the form of questionnaire.

### INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

M/s. Deloitte Touche Tohmatsu India LLP was engaged to review and comment on adequacy of Internal Financial Control ('IFC') process of the Company in accordance with the requirement of the Companies Act, 2013 and there have been no material observations.

The Company has adequate internal financial control procedures commensurate with its size and nature of business. These controls include well defined policies, guidelines, Standard Operating Procedures ('SOPs'), authorization and approval procedures





and technology intensive processes. The internal financial controls of the Company are adequate to ensure the accuracy and completeness of the accounting records, timely preparation of reliable financial information, prevention and detection of frauds and errors, safeguarding of the assets and that the business is conducted in an orderly and efficient manner.

**RISK MANAGEMENT**

Enterprise Risk Management (ERM) framework encompasses practices relating to the identification, analysis, evaluation, treatment, mitigation and monitoring of the strategic, external and operational controls risks in achieving key business objectives.

The Company has laid down the procedure for risk assessment and their mitigation through an internal Risk Committee. Key risks and their mitigation arising out of periodic reviews by the Committee are assessed and reported to the Audit Committee, on a periodic basis.

Strategic Risks comprises of risks inherent to Pharmaceutical industry and competitiveness, Company’s choices of target markets, business models and talent base. Your Company periodically assesses risks in new initiatives, the impact of strategy on financial performance, Organic & Inorganic growth opportunities, effectiveness of organisational structure and processes, retention and development of talent and leadership.

External Risks arising out of uncontrollable factors from outside comprises of risks of various developments in the regulatory environment in which your company operates, unfavorable trends in the macroeconomic environment including currency fluctuations, Politico-economic scenarios, natural disasters and technology infrastructure.

Operational controls risks encompasses risks of non-compliance to policies, information security, data privacy, intellectual property, individuals engaging in unlawful or fraudulent activity or breaches of contractual obligations that could typically result in penalties, financial loss, litigation and loss of reputation.

The current key risk relates to regulatory risk on overseas operations and business. This is arising out of regulatory audits at Company’s manufacturing locations, which is being adequately addressed through strengthening of current processes and controls by Company’s internal quality assurance and manufacturing teams and through the help of reputed external consultants. There are no risks which in the opinion of the Board threaten the existence of your Company. Other details about Risk Management have been elaborated in the Report on Corporate Governance forming part of this Annual Report.

**INSURANCE**

All properties and insurable interests of the Company including buildings, plant and machinery and stocks have been fully insured.

**GREEN INITIATIVE**

To preserve environment, your Company has taken numbers of green initiatives which not only reduce burden on environment but also ensure secured dissemination of information. Such initiatives includes energy saving, water conservation and usage of electronic mode in internal processes & control, statutory and other requirement.

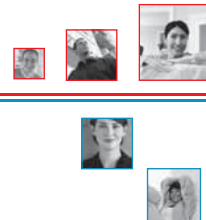
**POLICIES**

Your company has farmed and adopted certain policies for better conduct of operations and in compliance with regulatory requirement. In addition to the Company’s Code of Business Conduct and Ethics, key policies/code that have been adopted by the Company are as follows:

<b>Name of the Policy</b>	<b>Brief Description</b>	<b>Web Link</b>
Policy for determining Materiality of Events	This Policy aims to determine Materiality of events/ information.	<a href="http://www.wockhardt.com/files/policy-determining-materiality-of-events.pdf">http://www.wockhardt.com/files/policy-determining-materiality-of-events.pdf</a>
Archival Policy	The Policy deals with archival of the Company records and documents.	<a href="http://www.wockhardt.com/files/archival-policy.pdf">http://www.wockhardt.com/files/archival-policy.pdf</a>



Name of the Policy	Brief Description	Web Link
Policy for determining Material Subsidiaries	The Policy determines the material subsidiaries and material non – listed Indian subsidiaries of the Company and to provide the governance framework for them.	<a href="http://www.wockhardt.com/files/policy-on-material-subsidiaries-17-12-2515.pdf">http://www.wockhardt.com/files/policy-on-material-subsidiaries-17-12-2515.pdf</a>
Policy on Materiality of and Dealing with Related Party Transactions	The Policy regulates all transactions between the Company and its related parties.	<a href="http://www.wockhardt.com/files/policy-on-materiality-of-and-dealing-with-related-party-transactions.pdf">http://www.wockhardt.com/files/policy-on-materiality-of-and-dealing-with-related-party-transactions.pdf</a>
Vigil Mechanism / Whistle Blower Policy	The Company has adopted the Vigil Mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's code of conduct.	<a href="http://www.wockhardt.com/files/whistle-blower-policy.pdf">http://www.wockhardt.com/files/whistle-blower-policy.pdf</a>
Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information	The Code determines principles for fair disclosure of Unpublished Price Sensitive Information	<a href="http://www.wockhardt.com/Files/Code-of-Practices-&amp;-Procedures-for-fair-disclosure-of-UPSI.pdf">http://www.wockhardt.com/Files/Code-of-Practices-&amp;-Procedures-for-fair-disclosure-of-UPSI.pdf</a>
Corporate Social Responsibility Policy	The Policy outlines the Company's strategy to bring about a positive impact on society through programs relating to education, healthcare, environment etc.	<a href="http://www.wockhardt.com/files/csr-policy.pdf">http://www.wockhardt.com/files/csr-policy.pdf</a>
Remuneration Policy	This Policy formulates the criteria for determining qualification, competencies, positive attributes and independence for the appointment of directors and also the criteria for determining the remuneration of the directors, key managerial personnel and other employees.	<a href="http://www.wockhardt.com/pdfs/wl-remuneration-policy.pdf">http://www.wockhardt.com/pdfs/wl-remuneration-policy.pdf</a>
Dividend Distribution Policy	The Policy determines the parameters/ basis for declaration of dividend.	<a href="http://www.wockhardt.com/files/dividend-distribution-policy.pdf">http://www.wockhardt.com/files/dividend-distribution-policy.pdf</a>
Policy on Preservation of Records	The Policy deals with periodicity of retention of the Company records and documents.	Available on internal portal
Forex Risk Management Policy	The Policy defines, identify, measure, manage, mitigate and review potential risks pertaining to fluctuations in Foreign Exchange.	
Code of Conduct for Regulating, Monitoring and Reporting Trading by Designated Persons	The Policy provides the framework in dealing with securities of the Company by Designated Persons.	
Anti-bribery and Anti-corruption Policy	The Policy provides for prevention, deterrence and detection of fraud, bribery and other corrupt business practices in order to conduct the business activities with honesty, integrity with highest ethical standards.	
Human Right Policy	Policy aims at social and economic dignity and freedom, regardless of nationality, ethnicity, gender, race, economic status or religion. Also focusses to uphold international human rights standards.	



### **PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

Pursuant to the approval sought from the shareholders under Section 186 of the Companies Act, 2013, the Company can give loans, guarantees and/or providing security(ies) and/or make investments upto ₹ 3,000 crore. The particulars of loans, investments and guarantees are provided under Note 40 in the Notes to the Financial Statements.

### **PARTICULARS OF CONTRACTS/ ARRANGEMENTS WITH RELATED PARTIES**

All contracts/arrangements/transactions entered into by the Company during the financial year 2016-17 with its related parties were reviewed and approved by the Audit Committee. Prior omnibus approvals were obtained from the Audit Committee for related party transactions which were of repetitive nature, entered in the ordinary course of business and on an arm's length basis. No transaction with any related party was in conflict with the interest of the Company. The Company did not enter into any related party transaction with its Key Managerial Personnel. The particulars of contracts/arrangements with related parties in Form AOC-2 are provided in Annexure V to this Report.

### **VIGIL MECHANISM**

Pursuant to the requirements laid down under Section 177 of the Companies Act, 2013 and Regulation 22 of the SEBI Listing Regulations, the Company has well laid down Vigil Mechanism. The details of the same are provided in the Report on Corporate Governance forming part of this Annual Report.

### **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

In accordance with the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules which includes the name of top 10 employees in term of remuneration drawn forms part of this Report. Pursuant to the provisions of Section 136(1) of the Companies Act, 2013, the Board's Report is being sent to the shareholders of the Company excluding the said statement. Any shareholder interested in inspection or obtaining a copy of the statement, may write to the Company Secretary and the same will be furnished on request.

Disclosure pertaining to the remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in Annexure VI to this Report.

### **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The 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 provided in Annexure VII to this Report.

### **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANY**

As on 31<sup>st</sup> March, 2017, the Company has total 31 subsidiaries. However, during the year under review, the Company does not have any joint venture or associate company.

There were no companies who ceased to be subsidiaries of the Company during the financial year under review.

Pursuant to Section 129(3) of the Companies Act, 2013, a statement containing salient features of the subsidiaries of the Company is provided in Form AOC-1 attached as Annexure VIII to this Report and other details of the subsidiaries are also provided in the said Annexure.

### **CONSOLIDATED FINANCIAL STATEMENT**

The Consolidated Financial Statement of your Company for the financial year 2016-17 are prepared in compliance with applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, applicable Accounting Standards and provisions of the SEBI Listing Regulations.

A copy of the Audited Financial Statements of the subsidiaries shall be made available for inspection at the Registered Office of the Company during business hours. The Audited Financial Statement of the Company including Consolidated Financial Statement and Financial Statements of its subsidiaries are also available on the website of the Company. Further, any shareholder interested in obtaining a copy of the separate Financial Statement of the subsidiary(ies) shall make specific request in writing to the Company Secretary and the same will be furnished on request.



## DEPOSITS

During the year under review, the Company has not accepted any deposits under Chapter V of the Companies Act, 2013.

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURT

There are no significant and material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and operations of the Company during the year under review. However, Member's attention is drawn on the following development:

Ministry of Health and Family Welfare vide its various Notifications dated 10<sup>th</sup> March, 2016 prohibited manufacture for sale, sale and distribution for human use some of the Fixed Dose Combination ('FDC') with immediate effect. The said Notification includes some of the Products of the Company.

The Hon'ble Delhi High Court vide order dated 1<sup>st</sup> December 2016, quashed the said Notification. However, Ministry of Health and Family Welfare have filed an appeal before the Hon'ble Supreme Court and the same is pending.

## MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments between the end of the financial year of the Company and date of this report which can affect the financial position of the Company.

## BUSINESS RESPONSIBILITY REPORT

In compliance with Regulation 34(2)(f) of the SEBI Listing Regulations, the Business Responsibility Report forms part of this Annual Report.

## CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION & ANALYSIS REPORT

Pursuant to the requirement of the SEBI Listing Regulations, a Report on Corporate Governance along with a Certificate from Practising Company Secretary confirming the compliance of the conditions of Corporate Governance and Management Discussion and Analysis Report forms part of this Annual Report.

## ACKNOWLEDGEMENTS

Your Directors appreciate and acknowledge the significant contribution made by the employees of the Company at all levels. Your Directors wish to place on record their appreciation to all the Stakeholders of the Company viz. customers, members of medical profession, investors, banks, regulators for their continued support during the year under review.

For and on behalf of the Board of Directors

**Dr. H. F. Khorakiwala**  
Chairman  
DIN: 00045608

Place : Mumbai  
Date : 4<sup>th</sup> May, 2017



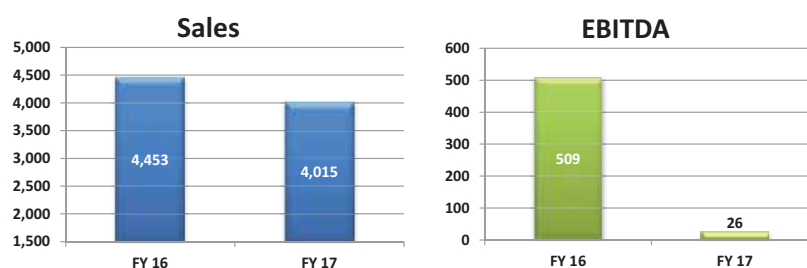


## MANAGEMENT DISCUSSION & ANALYSIS

The Company witnessed major challenges across businesses during the year 2016-17, which translated into revenue de-growth of 9.8%. These challenges took shape of continued regulatory alerts by US FDA for the key US market, Brexit in UK and consequent devaluation of GBP, De-monetisation, NLEM and FDC ban notification impacting India business had adversely affected the overall revenue growth. In USA, genericisation of some of the products of the Company also impacted business. The Company had a “one time opportunity” business in UK in the previous year, excluding which, the overall business reflected Y-o-Y de-growth of 3%. However, India business grew by 6% and UK business in GBP terms excluding the one time opportunity grew by 8% over previous year.

Despite these headwinds, the Company’s strategic focus continues to remain in R&D initiatives in the global arena, expanding business in newer horizons and remediation efforts at the plants.

During the year, the Company’s Research & Development expenses was about 10% of consolidated revenue. Total R&D spend including capex was at 14% of total sales keeping in view its strategic focus in Pharma, Biotechnology & NCE.



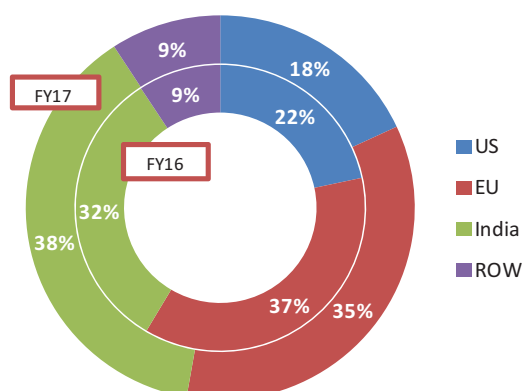
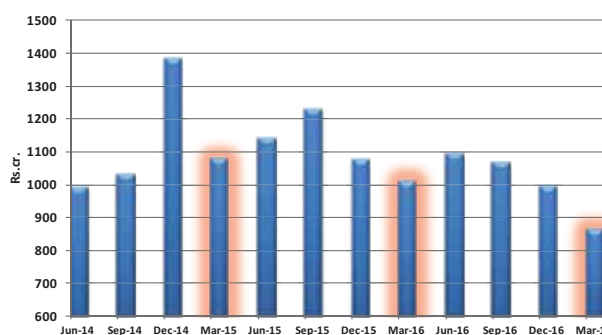
## REVENUES

Revenue from Operations during the year was ₹ 4,015 crore compared to ₹ 4,453 crore in the previous year.

	FY 17	FY 16	Change	% Change
Revenue from operations	4,015	4,453	(438)	(9.8)%

₹ in Crore

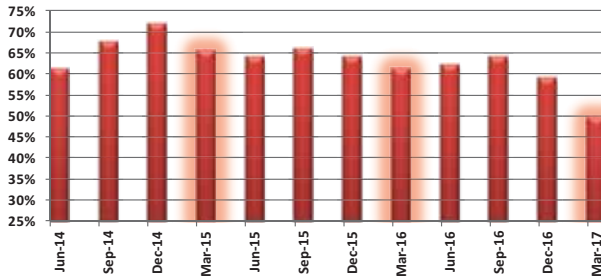
On a quarterly basis, Q1 and Q2 revenues are lower compared to its corresponding quarters in previous year due to one time business opportunity in UK for previous period whereas revenue for Q3 and Q4 has declined compared to its corresponding quarters in the previous year due to subdued business in US and UK, demonetisation impacting India business and continued impact of Brexit in UK.



The revenue split of US operations stood at 18% (compared to 22% as in FY 2016) while European Business contributed 35% (compared to 37% in FY 2016 which included one time opportunity in Contract Manufacturing in UK Business). India and Rest of the World continue to grow and contributed a robust 47% (compared to 41% in FY 2016).



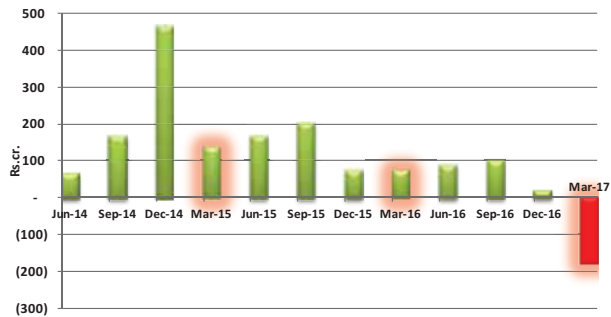
**PROFITABILITY**



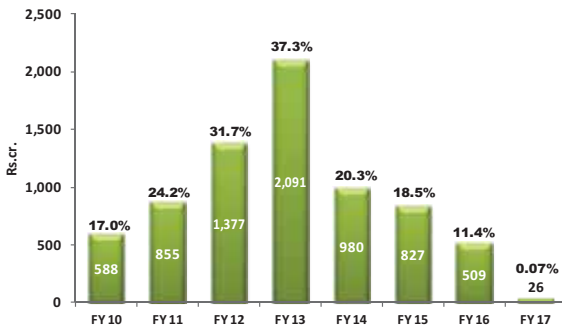
The Gross Margins during the year 2016-17 was at 59% as compared to 64% in the previous year primarily due to a one time opportunity business in previous year. While the first two quarters have consistently stayed around 60%, Q3 and Q4 had lower Gross Margin mainly because of impact of de-growth in US business and continued Brexit impact in UK business.

The Y-o-Y decrease in EBITDA is mainly due to decline on account of one time business opportunity in UK in previous year, lower revenue and Gross Margin as compared to previous year and increased legal and remediation costs.

**Quarterly EBITDA**



**EBITDA & EBITDA Margins**



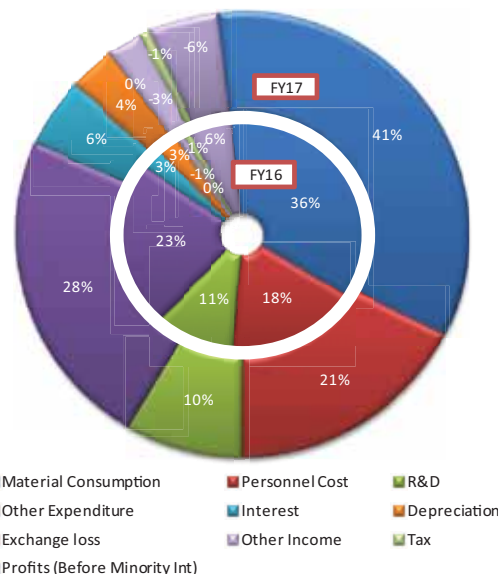
Company's EBITDA margins stood at 0.6% compared to 11.4% in the previous year.

Material consumption for FY 2017 stood at 41% of sales compared to 36% in FY 2016, largely due to impact of high margin one time business opportunity in UK in the previous year (PY).

The company's emphasis on R&D continued during the year with R&D costs for FY 2017 at 10%. Personnel costs were higher compared to PY at 21%.

Other expenses for FY 2017 were at 28% of sales compared to 23% in the previous year due to higher legal and remediation costs. Interest cost during the year has gone up due to additional borrowings.

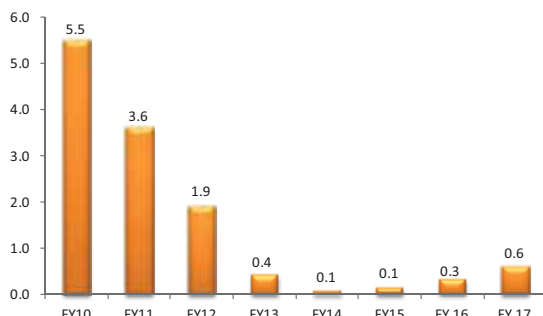
During the year, Other Income has gone up from INR 66 Crores in the previous year to INR 114 Crores mainly due to Interest and other income on surplus funds.





**DEBT AND LEVERAGE**

**Net Debt / Equity**



The Net Debt to Equity ratio stood at 0.6 as on 31<sup>st</sup> March, 2017.

**DEBT POSITION**

₹ in Crores

	FY 17	FY 16	Change	% Change
<b>Secured</b>	<b>3,843</b>	2,402	1,441	59.9%
<b>Unsecured</b>	<b>3</b>	5	(2)	-
<b>Preference Capital</b>	<b>301</b>	270	31	-
<b>Total</b>	<b>4,147</b>	2,677	1,470	54.9%

**GLOBAL ECONOMIC SCENARIO (Current & Outlook)**

According to United Nations Global Economic Outlook report, in 2016, growth in both world gross product and world trade dropped to their slowest pace since the Great Recession of 2009. Prolonged period of slow economic growth and dwindling international trade, since 2012, world gross product (WGP) has expanded at an average annual rate of 2.5%, much lower than the average of 3.4% observed in the decade prior to the financial crisis. This sluggishness in the global economy has been characterized by a widespread slowdown of productivity growth in many parts of the world, weak investment, low wage growth, low inflation and rising debt levels. Low commodity prices have exacerbated these trends in many commodity-exporting countries since mid-2014, while conflict and geopolitical tensions continue to weigh on economic prospects in several regions.

Uncertainty related to the withdrawal of the UK and Northern Ireland from the European Union (EU) has led to downward revisions to growth forecasts for the UK and several other countries in Europe in 2017. Meanwhile, the lack of clarity about the future direction of policy in the United States, may have potentially far-reaching effects. GDP growth in developing countries, especially in East and South Asia, is expected to remain driven by domestic consumption. While China's expansion is expected to remain stable supported by the strong policy stance India is expected to remain the fastest growing large developing economy, as the country benefits from strong private consumption and the gradual introduction of significant domestic reforms inspite of major drive of Demonetisation in 2016. Whereas political uncertainty in Brazil may have impacted growth high unemployment and a relatively tight fiscal policy stance needs to be watched in the years to come.

The economies in the CIS region in 2016 had suffered in domestic demand while net trade made a positive contribution to GDP growth, reflecting the impact of lower imports as a result of steep exchange rate realignments in several countries. In 2017, Russia is expected to register its first year of growth since 2014, as the country has largely absorbed the sharp terms-of-trade shock suffered in 2014-2015 and that may be a positive for Global economic prospects.

Considerable uncertainty shrouds both the path and impact of monetary policy actions in major developed economies. The effects of introducing some untested monetary policy instruments like the negative interest rate policies in Japan and Europe remains unclear, with a risk of unintended consequences, such as a deterioration of asset qualities of banks and tightening of credit conditions which could adversely impact the fragile and undercapitalized banks. The policy interest rates in the United States remains unclear, interest rate differentials relative to other developed economies are expected to widen, potentially triggering financial volatility, capital outflows from developing economies and abrupt adjustments in exchange rates.



Lack of clarity over the possible stances by the new Administration of the United States to crucial policies in international trade, immigration and climate change may impact global trade & economy. Brexit that has already impacted global scenario in 2016 may have further potential implications for the free movement of goods and workers in Europe, also poses considerable regional uncertainty. Such risks are exacerbated by the volatility of international capital flows.

(Source: World Economic Outlook – January 2017)

### GLOBAL PHARMA OUTLOOK

The global use of medicines is expected to reach 4.5 trillion doses by 2021 valuing USD1.5 trillion up nearly USD 370 billion from the 2016 spending level and a CAGR of 4-7%. Growth will be driven primarily by newer medicines in developed markets and increased volume in pharmerging markets.

Global spending growth will be driven by branded products in developed markets, offset by the impact of patent expiries and off-invoice discounts and rebates, particularly in the U.S. market.

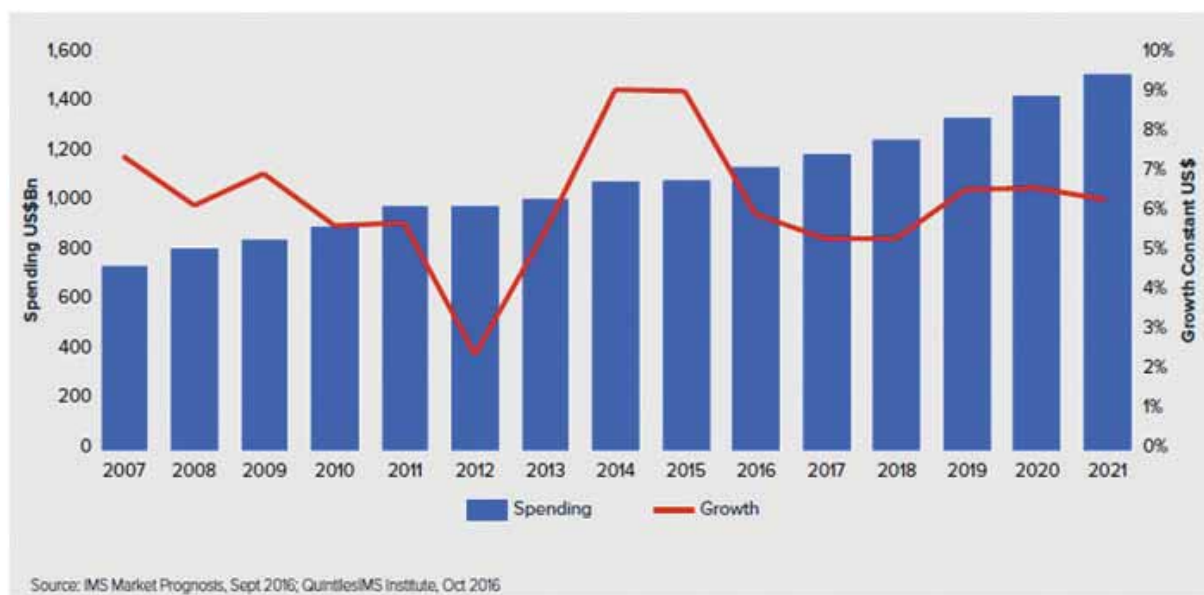
Most global spending growth, particularly in developed markets, will be driven by oncology, autoimmune and diabetes treatments where significant innovations are expected.

Developed market spending growth will be driven by original brands, while pharmerging markets will continue to be fueled by non-original products that make up an average 91% of pharmerging market volume and 78% of spending.

Off Invoice discounts and concessions continue to rise across the globe with US at 30%, Europe at 17% and lower for ROW.

Speciality medicines will add significantly to the growth in developed markets and EU5 with rising share while pharmerging markets will have lower share and constrained by cost and access controls.

(Source: Outlook for Global Medicines through 2021. Report by the QuintilesIMS Institute)



### Geographical Spread\*

#### USA

US spending on medicines currently estimated at USD 462 bn is expected to reach USD 660 bn which is about 43% increase on 2016 levels.

\*(Source: Outlook for Global Medicines through 2021. Report by the QuintilesIMS Institute)





There has also been a notable slowing of list price increases for both branded and generic medicines during 2016. While the new administration's policies around healthcare are still to take shape, it is clearer now that medicine usage, pricing and reimbursement will remain influenced by the needs of key stakeholders. The level of healthcare and medicine spending growth is expected to remain modest and policies in the new administration will contribute to that.

The market which is expected to be propelled by transformative speciality brands and net price increase of 2-5% will slow down through 2021 and is expected to average growth rate of 6-9%. The growth which will be driven by innovation & price increases will be offset by Loss of Exclusivity (LOE) on account of biosimilars entry and lower out of pocket expenses for patients. Another significantly important factor impacting the growth rate is the ruling out of 3% robust growth witnessed in the Hepatitis C segment in last 2 years along with the high level of spending in the oncology, autoimmune, MS and diabetes segment.

Impact of LOE in US is expected to peak through 2018 and 2019 averaging USD 33 bn per year and then gradually slowing down through 2021. Total impact of the same is expected to be USD 143.5 bn for five years. However, studies show that Generics will continue to provide majority of prescription medicine usage (91% plus) by 2021.

### **Europe**

EU5 current estimated market size USD 152 bn is expected to grow at CAGR of 1%-4% to about USD 185 bn by 2021. The relatively weak economic growth in the region combined with the budget concerns arising from adopting (and paying for) recent innovations will encourage European payers to be more cautious in the adoption of newer medicines for some years to come.

2016 has witnessed UK moving out of EU owing to BREXIT, but the impact on the UK pharma market is expected to be modest at about 1.5% slower growth rate in the downside scenario, yielding an average 4-7% growth to 2021. Though the specific devaluation of currencies in EU zone is not tied to nor specifically impacting pharmaceutical usage or spending, however macroeconomic challenges do influence government policies to some extent, especially considering the devaluation of the British pound to USD, Euro and other currencies following the BREXIT referendum result.

Impact of robust growth in base years driven by Hepatitis segment combined with the macro-economic challenges like uncertainty around Brexit, EU elections 2017 and issues of budgetary deficit have prompted policy reactions that will seek to control growth in the future. The downside scenarios includes more focus on value for money reviews of innovative medicines, restrictive approach to dedicated funds, potential for further cuts due to NHS trust overspends, probability of further currency devaluation, new trade barriers and diverging regulatory pathways with EU which in any combination could make UK less attractive as a market.

### **Pharmerging & Other Markets**

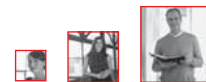
Overall pharmerging market growth is expected to slow down from existing 5 year CAGR of 10.3% to between 6-9% through 2021 mainly being effect of China slowdown though in terms of volume there is significant increase. Slow macro-economic growth impacting usage, lower per capita spending, derailed commitments, revamped expansion programs, stringent budgetary controls, balancing efforts to new economic realities, focus on non-original products have dampened the outlook largely.

### **China**

China, the largest pharmerging market will reach USD150- USD180 billion by 2021, but is expected to face slowing growth from 14.3% in the last five years to less than 7% in the next five years. With over 95% of the population now covered by insurance, incremental medicine volumes will slow, and government priorities are now shifting to harmonizing the coverage insurance provides, which in turn is raising questions of pricing and access to medicines. A key challenge is managing hospital spending, which accounts for 63% of China's medicine spending, with reforms focused on restructured financing in a bid to remove the profit motive from hospital drug purchases. The policies have already had significant effects on drug spending growth in 2015 and 2016 and, along with slower expected volume growth, these are the key contributors to the 5-8% growth to 2021, down from 12.5% CAGR from 2011-2016. Hundreds of new medicines have been approved since the last update to the NRDL (Drug reimbursement list) and are still not widely available in China.

### **Brazil and Russia**

Brazil will grow at CAGR of 7-10% to USD 34 bn while Russia will grow at CAGR of 5-8% to USD 16 bn. These growth rates are significantly lower than existing CAGR of 11% for both. The lower growth rates are a direct outcome of the regulatory obstacles, unstable geo-political scenarios prevalent in these nations coupled with after-shocks of low commodity prices reign which has pushed the economy into setback.



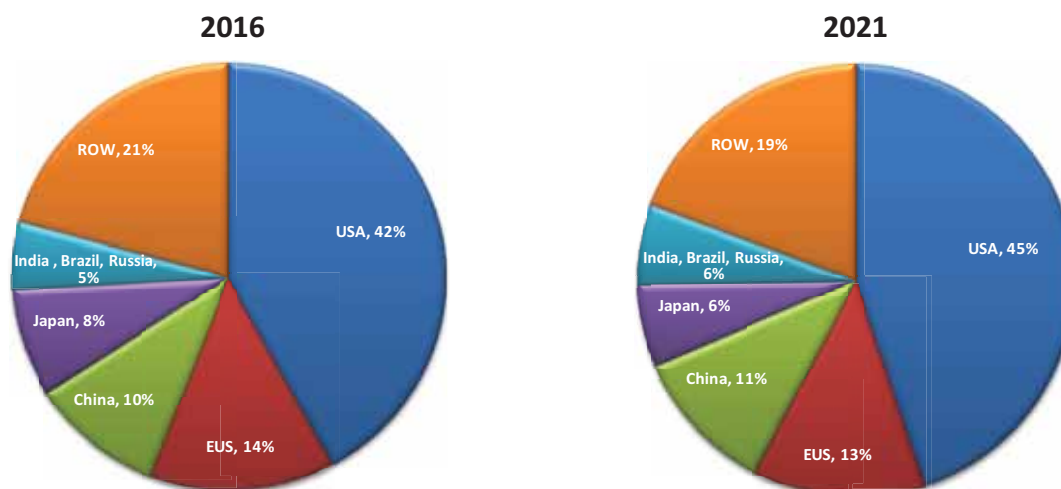
**India**

India is expected to grow at healthy CAGR of 10-13% to USD 28 bn which is pushed by changing landscape on the back of higher growing population, market shift in diseases profile and impressive growth of the sub sector.

**Japan**

Japan's Pharma market size is expected to grow slowly at CAGR of 0-2% in the next 4 years to close 2021 between USD 90 bn-94 bn though de-growth scenario cannot be ruled out. The share of branded spending which is currently at 67% is expected to contract. As growth levels off, generics use in Japan is expected to reach 59% in 2017 and 70% in 2025. Japan is encouraging the uptake of generics in order to curb rapidly-rising healthcare costs as a result of its ageing population. At the same time, it is trying to stoke innovation in the pharmaceutical sector by awarding premiums. The price of drugs added to NHI drug list which are revised every two years are heading to annual revision as part of government in initiative to curb ballooning drug prices.

Region	FY 16	FY 21	CAGR%
US	462	660	7%
EU5	152	185	4%
China	117	160	7%
Japan	90	92	-
India , Brazil , Russia	56	80	7%
RoW	228	283	4%
<b>Total</b>	<b>1,105</b>	<b>1,460</b>	<b>6%</b>



**Generic Penetration**

The booming market for generic drugs advances and recedes with the rise and fall in the number of branded drug patent expirations each year. Generic drugs are an essential part of a sustainable ecosystem of pharma & healthcare and are central to efforts that increase patient access and generate savings for patients, taxpayers, employers, payers, providers and others.

The global generic drug market accounted for around USD 200.2 billion in 2015 and is expected to reach approximately USD 380.6 billion by 2021, growing at a CAGR of around 10.8 % between 2016 and 2021. The key growth drivers which will add steam to this segment will be loss of exclusivities, change in healthcare providers priorities which will be cost-containment, continued orientation for generic or branded generic drugs with price control in focus leading to consolidation across markets.



The game changer for this segment will be US wherein penetration currently between 85-88% will rise to 92% levels by 2021.

Growth in Generic and Branded generic products between 2016-20 is expected to be 6.1%, higher than the branded products growth (5.1%) and OTC/other (4.8%) and will increase the overall share of Generic penetration (pure generic and branded generic) to 35% by 2020.

*(Source: Global Industry Perspective, Comprehensive Analysis and Forecast, 2015 – 2021 by Zion Market Research)*

### Developments in Biosimilars Space

Biosimilars have been deemed the top growth driver for the pharmaceutical industry in 2017. Market shift in the nature of diseases to the more chronic ones is causing increasing use of complex and expensive biotech products with biosimilars as cheaper options.

The U.S. pharmaceutical industry entered 2016 with one biosimilar, Sandoz's Zarxio (filgrastim). Filgrastim biosimilar together with the non original version captures around 40% of volumes in US as on date. Now, approaching 2017, the U.S. has seen the arrival of its newest biosimilar on the market, Pfizer's Inflectra (infliximab), as well as the approval of its third (etanercept) and fourth (adalimumab) biosimilars. In addition, the complexity of the legal landscape and the payer system, specifically in the U.S., will be prime challenges facing companies planning to bring a biosimilar to market in the upcoming year.

Large number of biosimilar medicines which are in development phase are expected to reach US market by 2021 though concerns remain around filing of applications, regulatory reviews and litigation risk from originators for almost all biosimilars.

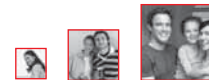
The EU, which currently has 20-plus biosimilars approved, continues to see marketing authorization application submissions and varying levels of biosimilar uptake among its member countries. Europe's biosimilar market continues to develop, with biosimilars in new classes approved and pending in applications before the European Medicines Agency (EMA). 22 biosimilars are approved in eight different product classes and 16 biosimilar applications, including applications in four new product classes, are pending as of December 1, 2016. 2017 may see significant expansion of the biosimilars available in Europe.

The EMA approved four additional biosimilars in 2016, including three biosimilars in two new product classes: a biosimilar of Amgen's Enbrel (etanercept) and two biosimilars of Sanofi's Clexane (enoxaparin sodium). These additional approvals bring the total of currently authorized biosimilars in Europe to 22 and the product classes to eight.

In addition to the 22 approved biosimilars, 16 additional biosimilar applications are under evaluation by the EMA as of December 1, 2016: four applications for biosimilars of AbbVie's (adalimumab), two applications for biosimilars of Amgen's Enbrel (etanercept), one application for a biosimilar of Sanofi's Lantus (insulin glargine), one application for a biosimilar of Eli Lilly's Humalog (insulin lispro), three applications for biosimilars of Amgen's Neulasta (pegfilgrastim), two applications for biosimilars of Roche's MabThera/Rituxan (rituximab) and three applications for Genentech's Herceptin (trastuzumab). 12 of the pending applications seek to introduce biosimilars that fall into new product classes for the European market.

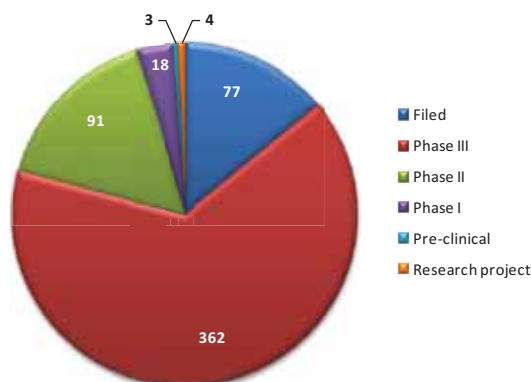
Large population, relatively high cost of branded biologic, rising chronic diseases, lower labour costs, cheaper cost of goods, greater regulatory support with less stringent environment and easier access to both domestic and regional markets appear to be some of the reasons fuelling demand for biosimilars in emerging markets. India making strong progress in biosimilars, with local market estimated at over \$900 million (as on Feb 2016). There are large number of Indian companies operating in the biosimilar space, marketing close to 50 products in the Indian market. A recent trend that has emerged to play into this segment is in the nature of exclusive licensing, strategic alliances & partnering for product development, marketing abroad etc. It is also expected that North America & Europe will lose Biosimilar market share to the Asia Pacific regions which is expected to deliver CAGR of anywhere between 25-30% vis-a-vis 12-15% for Developed countries.

There's still a long way to go before the industry sees widespread uptake of biosimilars. As such, stakeholders' education to build confidence in these treatments remains a primary goal for the industry in 2017. From a policy and political standpoint, the biosimilar industry promises to be anything but dull in the year ahead. The key elements that are likely to govern market dynamics around biosimilars include reimbursement, substitution, competition and litigation.



**Industry R&D Pipeline**

Particulars	USD bn
NPV of R&D Pipeline - June 15	493
Less : Approvals	-76
Add : New Projects	101
Add : Revaluation of base NPV	37
<b>NPV of R&amp;D Pipeline - June 16</b>	<b>555</b>



The (NPV) of the industry's R&D pipeline surged 13% over last year's reported to USD 555 bn as on June 2016. One technology wave that is taking the industry by storm is projects targeting the programmed death-1 (PD-1) pathway with many leading players in the fray. 2016 R&D spends growth have slowed down compared to prior years which is primarily due to fewer late-stage product candidates being involved in costly phase III trials. R&D expenditure is forecast to grow at a modest 2.8% per year to 2022, reaching USD182 bn.

Source: EvaluatePharma® (World preview 2016)

**GLOBAL ANTIBIOTIC MARKETS & ANTIMICROBIAL RESISTANCE LEVEL CRISIS**

Antibiotic Resistance and generic competition are the two foremost factors that play a significant role in the growth of industry. Global antibiotic market is witnessing immense growth due to the innovation of new products and R&D investments. Factors such as rising demand for effective antibiotic drug and increasing prevalence of infectious diseases especially in emerging economies including Middle East, Africa, Latin America and Asia-Pacific are significant growth drivers for the product and trend is expected to continue.

It is heartening to note that G20 views on lack of antibiotics in market space indicates that antibiotic research is not commercially viable. This can be seen from the fact that from the period 1983 to 1992 there were 30 antibiotics launched and approved in regulated developed countries. However, since 2008 to 2016, there are only 7 drugs approved. India constitutes roughly 15% of the usage of antibiotics in the world. Based on successful launch of antibiotics they recommend giving outright grant of incentives to pharmaceutical industry.

The main challenge the industry is facing is emergence of drug resisting strains which causes antibiotics to have limited effective lifespan. Drug resistant pathogens know no boundaries. Over the past few decades AMR (Antimicrobial Resistance levels) have been on rise significantly which is accompanied with shortage of new antibiotics arriving in the market. Drug-resistant infections have the potential to cause a level of economic damage similar to and likely worse than that caused by the 2008 financial crisis.

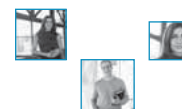
A high-case scenario of Antimicrobial Resistance (AMR) where antibiotics and other antimicrobial drugs no longer treat infections the way they are supposed to could cause low-income countries to lose more than 5% of their GDP and push up to 28 million people, mostly in developing countries, into poverty by 2050. At the same time global GDP would contract by 3.8%. Increase in healthcare costs may range from USD 300 billion to more than USD 1 trillion per year by 2050. And unlike the financial crisis of 2008, there would be no prospects for a cyclical recovery in the medium term, as the costly impact of AMR would persist. If AMR spreads unchecked, many infectious diseases will again be untreatable, reversing a century of progress in public health.

**OPPORTUNITIES**

With cost containment priorities, cheaper drug access and rising healthcare budget pressures the shifting focus of the regulators, payers, Governments and other stakeholders continues to re-emphasize and propel strengthened action around the bio-similars market development. While the more regulated markets continue to be lagged owing to stringent regulatory and legal pathways for approval thereof, the acceptance of bio-similars in rest of the world is quite impressive.

Exploiting and tapping the Bio-similars market potential is being seen as long term strategy by Global pharma players which are strengthening R&D capabilities in this segment while many global players are partnering with other companies which are already into advanced stages of development. Notably, a few Indian pharma companies including yours are also in the race to reap long term benefits of the same and have devoted considerable amount of resources in this segment.





US, UK, Europe, India and other Emerging markets continue to offer a plethora of opportunities because of transition in the form of lifestyle shift & related diseases in these countries. Because of the existing presence of operations in these economies your Company is well poised to capitalise and tap these growth opportunities. Your Company is striving in all aspects to establish its brand and ramp up its presence and operations in larger GCC countries, Latam Countries, New markets like Australia, New Zealand, Turkey, Malaysia and not last but significant partnerships in China, Japan and Korea.

Global crisis of antibiotics availability continues to pose threat and the gap in Anti Infective segment has widened as relatively few drugs have been discovered in the last decade. However your Company's relentless focus for almost two decades in the Anti-Infective space has started showing recognition with consecutive approvals for QIDP in quick successions as well as approval from US FDA by granting abridged clinical trial for Phase III for its' Superdrug antibiotic WCK 5222. This was based on the evaluation by US FDA of its preclinical and clinical data of Phase I establishing safety and clinical scope of efficacy for the drug.

With the rise in number of new organisms and new strains of old organisms with significant resistance to existing medicines, the Company with its array of under-development drugs in this space aims to counter these unmet needs in both gram positive and gram negative bacterial infections in both regulated and unregulated markets. During the past years approvals were received for 5 novel antibiotics making it the only company globally to receive QIDP status for 5 drugs from US FDA. Qualified Infectious Disease Product (QIDP) is granted to drugs, identified by Center for Disease Control (CDC), USA that act against Pathogens which have a high degree of unmet needs in their treatment. Over last 10 years global patents filed for antibacterial drugs have declined by 60%, whereas patents filed by Wockhardt in these 10 years have increased by 315%.

While standard drug classes go off-patent and generics and bio-similars gain steam in time to come, new wave of innovation continues to replenish the pipeline and provide essential therapeutic advances for patients. These innovations are in the orphan disease segment and also long term acquired chronic diseases which affect large population and drives NHS costs. In addition to novel medicines, platform technologies that may transform care across multiple potential disease targets, like gene editing, regenerative cell therapies, and new approaches to targeting disease through the gut microbiome or replacing blood components with those from healthy individuals are set to evolve.

## RISK

Quality compliance, globally, has gained significant impetus and has emerged as a key success factor for long term sustenance. Global Regulatory management continues to remain key focus area for entire pharmaceutical industry with regulatory agencies continuously enhancing the benchmark at regular intervals. The evolving cGMP regulations have become stringent and the industry is striving unanimously to create world class capabilities to adhere to the mandates. Corrective measures for US FDA clearance are still in process with significant automation, technology upgrades and rollout of best practices at the manufacturing facilities. Your Company is monitoring the situation closely and is working with best of class consultants for resolution. Risk of regulatory quality compliance shall continue to remain critical for your Company in future.

During the year, the Indian FDC by notification has banned many of the key formulations in the domestic market which has put burden on the domestic business and capped growth for Indian companies. Pricing pressures in India continue to impact several organizations with latest NPPA circulars to include many critical drugs under the scope of price fixation / reduction. Rolling out of Demonetisation in second half has disrupted the cash and inventory cycles at the secondary market which impacted volumes significantly and may cause spillover in time to come. Your Company has been no exception to the same. This has impacted the earnings of many Indian companies including yours.

Amidst such challenges, the Company has put remediation measures in place while ensuring growth and strengthening of its other business which consists of new product portfolio and better brand management.

Goods & Services Tax (GST) which is yet to be rolled out has caused uncertainty in the market effects of which could be assessed in times to come. However, your Company is gearing up both on technology, SAP, infrastructure and business processes with the help of best of class consultants, technology service providers & advisors.

Last year has witnessed volatility on political front and macro-economic parameters globally. Most importantly the series of events across globe which have occurred, shall determine the course of global economic growth in time to come. Key events which may have impact on the businesses of the Company are Political changes in US, protectionist policies in some of the economies, BREXIT, global crude oil prices, devaluation of major currencies vis-a-vis dollar, upcoming EU elections 2017. 2017 could be the year of tightening of monetary policies by ECB and BOE.



In 2017, World leaders will face a tough time keeping the global recovery on track, even while wars, terrorism and other threats add to the challenges. Your company is a global player and is not insulated against such external risks despite the best financial practices and wide range of measures being taken. This has also to some extent impacted the earnings w.r.t to countries where your company operates in the home currency of these nations. This inherent risk will continue to pose challenges to a company like yours that has a significant share of revenues from cross border operations.

#### Transformation in disease treatments through 2021

- A) New medicines reaching patients will be historically large in number and will address significant unmet needs in cancer, and a new range of diseases not as commonly targeted with immunology treatments including dermatology and respiratory.
- B) Include treatments for metabolic conditions, immunology treatments for diseases ranging from dermatology to respiratory and CNS conditions.
- C) Evolution of new platforms such as CRISPR, advances in harnessing the gut microbiome to treat diseases, and regenerative cell technologies.
- D) Cancer represents the largest category of new medicines and a range of new mechanisms will continue to revolutionize cancer treatments bringing improved outcomes, longer survival and greater tolerability for patients.
- E) A wide range of existing companies and new participants will bring these cancer products to market over the next five years.

*(Source: Outlook for Global Medicines through 2021. Report by the QuintilesIMS Institute)*

## RESEARCH

### Research & Development as Strategic Core

The Company's continuous strategic focus in complex research in Pharma, Biosimilars and NCE for last couple of years has started showing its positive impact on the product pipeline. It is the complex matrix of research encompassing technology intensive generic products for oral, nasal and parenteral administration, New Drug Discovery Program and Biosimilar research that has been playing pivotal role for the company's success and sustainability. Cross functional, highly educated, trained and stable project management team has been the core factor to success. The company has dedicated a lot of focus, investments and initiatives to ensure that the R&D organization stays at the threshold of latest technological advancements in the areas it operates on.

### Research Efforts in Novel Drug Delivery Systems and ANDAs Pipeline

During the financial year ended March 31, 2017 the company has filed for 6 new products in US and 7 in UK. Currently for the US business, company's pipeline includes 83 products pending to be approved by US FDA. The company has always been a trendsetter in Indian generic pharma industry with its niche NDDS products like Metoprolol ER, Divalproex ER, Tamsulosin ER which were among the first few generics in US market.

### New Drug Discovery Programme of Wockhardt

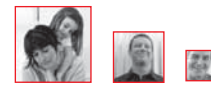
As against most of global innovator companies which have focused on lifestyle segment and oncology, your Company continues to focus on New Drug Discovery Program in unmet needs in Antibacterial infections in both gram positive and gram negative terrain where there is dearth of medicine across the world.

Anti-Infectives are the only class of medicines which has a curative therapeutic outcome and hence the merits of drug candidates in this class are decided based on clinical efficacy against resistant, difficult-to-treat organisms.

With the global rise in the prevalence of resistant strains, and the emergence of newer resistance mechanisms as well as new pathogenic organisms, where the existing antibiotics are having little impact, the overall infectious disease scenario is highly concerning. The Company with its array of drug under development in this space aims to counter these diseases in both regulated and unregulated markets.

### Current status of the QIDP products

**WCK 4873** - Phase II study has commenced in the US and EU for assessing its effectiveness in patients suffering from community acquired pneumonia.



**WCK 4282** - US FDA clearance is obtained to commence a large global Phase III study for Injectable novel therapy for the community and hospital acquired infections due to widely prevalent ESBL type of Gram negative pathogens resistant to third and fourth generation cephalosporins and some of the carbapenems.

**WCK 5222** - This is breakthrough antibiotic for MDR/XDR (extremely drug resistant) Gram negative pathogens for which no satisfactory therapy is available. This drug possesses novel mechanism of action called as  $\beta$ -lactam enhancer which overcomes diverse resistance mechanisms encountered in XDR pathogens. In view of unmet needs addressed by WCK 5222, US FDA has approved an abridged Phase III study based on the evaluation by US FDA of its preclinical and clinical data of Phase I establishing safety and clinical scope of efficacy for the drug. Your Company has taken this antibiotic for a worldwide clinical development.

**WCK 771 and WCK 2349** - IV and Oral anti-MRSA drug is cleared for Indian Phase III study in complex skin/wound infections.

Your Company has strong focus in developing intellectual property and filed 311 patents during the year under review out of which 80 patents were granted. As on 31<sup>st</sup> March, 2017, combined pool of Company's patent has reached 2904 filings and 553 grants.

### Biotechnology Research of the Company

The focused studies on diabetes related product development by your Company has started paying off.

E.coli based platform technology for Insulins has started displaying its potential, as revealed by the scale up studies in Project E, promising more than 24 Kg/batch in Project C and a capacity of ~3 tons/year; with augmented DSP up-gradation a capacity of >6 tons/annum

The above offers opportunity and challenge to replicate the same for other insulin analogues.

### Bio-betters

#### Insulins for insulin resistant / higher BMI diabetic patients:

Consegna R, N and Biphasic (70/30) approved by CDSCO for manufacturing and marketing in India.

Consegna R and 70/30 Mix launched in December 2016 in India.

With 50% volume reduction per dose, Consegna promises reduced pain and better compliance.

### COMPANY OUTLOOK

The Company's long term outlook continues to be promising given the following:

- a. Overall growth in the global pharmaceutical industry.
- b. Continued focus on R&D in regards to its complex generic, bio technology and NCE programs.
- c. Company's global reach in regulated market and continued efforts to enhance its reach in emerging markets.
- d. Increasing pipeline of niche & complex technology generic products.

### SEGMENT-WISE PERFORMANCE

The Company is exclusively into pharmaceutical business segment.

### INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has internal control procedures commensurate with its size and nature of the business. These business procedures ensure optimum use and protection of the resources and compliance with the policies, procedures and statutes. The internal control systems provide for well-defined policies, guidelines and authorizations and approval procedures. The prime objective of such internal audits is to test the adequacy and effectiveness of the internal controls laid down by management and to suggest improvements.

Your Company during the year undertook "Internal Financial Control (IFC)" evaluation by M/s Deloitte Touche Tohmatsu India LLP in accordance with the requirement of the Companies Act, 2013. Your company has also implemented online compliance management tool in association with M/s Ernst & Young.



The Company has an independent Internal Audit and assurance team that comprises of multidisciplinary and experienced professionals. This team is assisted by external audit firms wherever necessary, for specialized and other audits. There is a set practice of reviewing various key select risks of the various businesses and report to Audit Committee time to time. Material observations and recommendations under implementation are reported by the Head of Internal Audit at quarterly Audit Committee meetings.

## HUMAN RESOURCES

Wockhardt's talent base, as on March 31, 2017 stands at 6,768.

Wockhardt aspires to create a healthier world. Its Strategic Vision "Life Wins" has transformed into new ways of thinking, a new journey for growth, medical breakthroughs for patients and continuing value for all stakeholders. Life Wins is not just a tagline, but a far more fundamental principle for Wockhardt adding, meaning and commitment to the cause and purpose of making "Life Wins".

Wockhardt operates in a highly competitive environment vis-à-vis attracting & retaining the best talent for its operations and therefore Human Resources function has assumed vital factor to achieve the goals of the organization and thus continuously strives to impart newer and higher level skills to our Associates as we multi-skilled the operating staff across all locations. We launched career programs for our field associates, 'Emerge', 'Surge' and 'Upsurge' which provides career visibility to development to our sales force as your Company believes that Associates are the most valuable assets and key players in business success & sustainable growth.

Your Company believes that 'Learning Never Stops' and with that belief it has, during the year, initiated an affiliation with the Institute of Pharmaceutical Education and Research (Pune) Private Limited, to explore educational avenues for our Associates in Manufacturing and Quality functions across all sites.

Wockhardt appreciates that aligning the entire organization with a common objective is key to the success and strengthened such alignment processes through various platforms like Town Hall, MD connect and periodic & structured communication by senior leadership team.

Being future ready is one of the key processes of sustainable growth. Building an Organization which is future ready through coherent leadership development programs for the leadership team is part of the core "future ready" initiative. It is also our endeavor to derisk the organization by ensuring the best talent availability for all strategic positions.

Your Company also understands the importance of building synergies and cultural integration amongst different generations at work place. The newly launched program 'Team One' addressed this need and is helping the organization create a harmonious and enabling environment which encourages diversity.

Wockhardt has in place a variety of initiatives to engage the Associate and ensure career progression, helping Associates move from current level to higher level. This includes job rotations and special assignments to name a few. This confirms that there is a continuous learning process for the Associates. These interventions have enabled the Company to create succession plans for leadership positions so that the Company's talent pipeline is kept ready to meet future requirements and contingencies

The Goal Setting Process is very unique at Wockhardt, that ensures horizontal alignment among various constituents of the organization. Through a unique process called "ALIGN" an acronym denoting "Assimilate & Link Individual and Group Needs" that is in the third year in existence, your Company has institutionalised a robust Goal Setting and Performance Management System.

In line with the requirement of SEBI Listing Regulations, the Company has adopted a "Whistle Blower Policy" which encourages the Whistle Blower to report genuine concerns or grievances. It also provides adequate safeguard to the Whistle Blower against victimization. The policy on Whistle Blower may be accessed on the company's website at [www.wockhardt.com](http://www.wockhardt.com)

The Company is an equal opportunity provider and consciously strives to build a work culture that promotes the dignity of all Associates. Pursuant to the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("Act"), the Company has internal Complaints Committees (ICC) across all the locations which are responsible for redressal of complaints related to sexual harassment at respective locations. Awareness programmes were conducted across the Company to sensitize Associates to uphold the dignity of their colleagues at the workplace, particularly with respect to prevention of sexual harassment. During the year ended 31<sup>st</sup> March, 2017, the Company has not received any complaints in the matter.



## INDEPENDENT AUDITOR'S REPORT

### To the Members of Wockhardt Limited

#### Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Wockhardt Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

#### Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective 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 the Group and for preventing and detecting frauds and other irregularities; the 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 Ind AS 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 Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate Ind AS financial statements and on the other financial information of the subsidiaries, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March, 2017, their consolidated loss, consolidated changes in equity and their consolidated cash flows for the year ended on that date.





### Emphasis of Matter

We draw attention to Note 43(f) to the Consolidated Ind AS Financial Statements with regard to uncertain outcome of lawsuit, relating to commercial dispute, where the Company's step down subsidiary is a defendant. The case has been heard in court, however judgement is currently pending. The ultimate outcome of the matter cannot presently be determined, and no provision for any liability that may result has been made in the Consolidated Ind AS Financial Statements.

Our report is not modified in respect of this matter.

### Other Matter

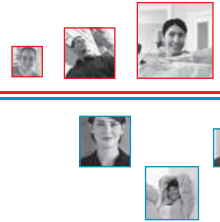
- (a) We did not audit the Ind AS financial statements of 24 (Twenty Four) subsidiaries, whose Ind AS financial statements reflects total assets of ₹ 7,713.05 Crore and net assets of ₹ 2,901.72 Crore as at March 31, 2017, total revenues of ₹ 3,200.56 Crore and net cash inflows amounting to ₹ 295.67 Crore for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements. These Ind AS financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Ind AS 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) and (11) 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.
- (b) We did not audit the Ind AS financial statement of 1 (One) subsidiary, which as per the management has been incorporated during the previous year but capital infusion is yet to be done.
- (c) The comparative consolidated financial information of the Company for the year ended 31<sup>st</sup> March 2016 and the transition date opening balance sheet as at 1<sup>st</sup> April 2015 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us whose report for the year ended 31<sup>st</sup> March 2016 and 31<sup>st</sup> March 2015 dated May 6, 2016 and May 28, 2015 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us and the other auditors.
- (d) The values in the Consolidated Ind AS Financial Statements are also stated in United States Dollars translated at the closing year end rates. We have not reviewed the translations of the amounts mentioned in United States Dollar in the financial statements, and accordingly do not express an opinion on such amounts.

Our opinion on the Consolidated Ind AS Financial Statements and our report on the 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 and the Ind AS financial statements certified by the management.

### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, 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 Ind AS Financial Statements;
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept by the Company 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, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements;
- d. In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2017 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 over financial reporting of the the Group and the operating effectiveness of such controls, we give our separate Report in the “Annexure”.
- g. 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:
- (i) The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 43 on Contingent Liability to the Consolidated Ind AS Financial Statements;
  - (ii) Provision has been made in the Consolidated Ind AS Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 35 and 36 to the Consolidated Ind AS Financial Statements;
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India;
  - (iv) The Holding Company and its subsidiary company incorporated in India have provided the requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with the books of account maintained by the Holding Company and its subsidiary companies so far as it appears from our examination of those books - Refer Note 13(b) to the Consolidated Ind AS financial statements.

For **Haribhakti & Co. LLP**

*Chartered Accountants*

ICAI Firm Registration No.103523W /W100048

**Bhavik L. Shah**

*Partner*

Membership No. 122071

Place: Mumbai

Date : May 4, 2017



## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Wockhardt Limited on the Consolidated Ind AS Financial Statements for the year ended March 31, 2017]

### **Report on the Internal Financial Controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of the Holding Company and its Subsidiary which are companies incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its Subsidiary which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). 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 Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes 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 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 financial statements.



### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Holding Company and its Subsidiary, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **Haribhakti & Co. LLP**

*Chartered Accountants*

ICAI Firm Registration No.103523W /W100048

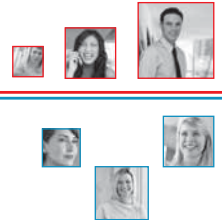
**Bhavik L. Shah**

*Partner*

Membership No. 122071

Place: Mumbai

Date : May 4, 2017



## CONSOLIDATED BALANCE SHEET

As at March 31, 2017

	Notes	As at		As at		As at		As at	
		March 31, 2017	March 31, 2017	March 31, 2016	March 31, 2016	April 01, 2015	April 01, 2015		
		₹ in crore	USD in million	₹ in crore	USD in million	₹ in crore	USD in million		
<b>ASSETS</b>									
<b>NON-CURRENT ASSETS</b>									
Property, Plant and Equipment	4	1,942.05	299.34	1,917.25	289.36	1,575.96	252.15		
Capital work-in-progress	4	971.29	149.72	928.18	140.08	1,007.30	161.17		
Goodwill	5	736.51	113.53	793.00	119.68	714.52	114.32		
Other Intangible Assets	5	93.99	14.48	98.45	14.85	93.14	14.90		
Intangible assets under development	5	272.66	42.03	107.87	16.28	-	-		
Financial assets									
Investments	6	0.45	0.07	0.45	0.07	2.62	0.42		
Others	7	48.57	7.49	47.09	7.11	39.87	6.38		
Deferred tax assets (net)	8	172.84	26.64	145.07	21.89	167.36	26.78		
Other non-current assets	9	114.29	17.62	131.65	19.86	106.95	17.11		
		<b>4,352.65</b>	<b>670.92</b>	<b>4,169.01</b>	<b>629.18</b>	<b>3,707.72</b>	<b>593.23</b>		
<b>CURRENT ASSETS</b>									
Inventories	10	1,107.95	170.77	1,102.16	166.34	1,020.78	163.34		
Financial Assets									
Investments	11	562.27	86.67	-	-	371.20	59.39		
Trade receivables	12	1,034.45	159.45	1,111.42	167.74	652.38	104.38		
Cash and cash equivalents	13	965.67	148.85	664.64	100.31	1,158.69	185.39		
Bank balances (other than above)	13	637.94	98.33	813.47	122.76	75.86	12.13		
Others	14	29.24	4.51	20.31	3.07	4.66	0.75		
Current Tax Assets (net)		80.77	12.45	63.17	9.53	9.69	1.55		
Other current assets	15	197.75	30.47	176.68	26.66	170.47	27.28		
		<b>4,616.04</b>	<b>711.50</b>	<b>3,951.85</b>	<b>596.41</b>	<b>3,463.73</b>	<b>554.21</b>		
<b>TOTAL</b>		<b>8,968.69</b>	<b>1,382.42</b>	<b>8,120.86</b>	<b>1,225.59</b>	<b>7,171.45</b>	<b>1,147.44</b>		
<b>EQUITY AND LIABILITIES</b>									
<b>EQUITY</b>									
Equity Share capital	16	55.27	8.52	55.25	8.34	55.04	8.81		
Other Equity		3,281.44	505.80	3,719.87	561.41	3,633.24	581.32		
<b>Equity attributable to the share holders of the Company</b>		<b>3,336.71</b>	<b>514.32</b>	<b>3,775.12</b>	<b>569.75</b>	<b>3,688.28</b>	<b>590.13</b>		
Non-controlling interests		381.94	58.87	465.33	70.23	145.81	23.33		
<b>Total Equity</b>		<b>3,718.65</b>	<b>573.19</b>	<b>4,240.45</b>	<b>639.98</b>	<b>3,834.09</b>	<b>613.46</b>		
<b>LIABILITIES</b>									
<b>NON-CURRENT LIABILITIES</b>									
Financial Liabilities									
Borrowings	17	3,190.27	491.76	1,920.60	289.86	1,426.99	228.32		
Provisions	18	94.23	14.52	70.74	10.67	74.37	11.90		
Deferred tax liabilities (net)	8	39.72	6.12	47.22	7.13	60.80	9.73		
		<b>3,324.22</b>	<b>512.40</b>	<b>2,038.56</b>	<b>307.66</b>	<b>1,562.16</b>	<b>249.95</b>		
<b>CURRENT LIABILITIES</b>									
Financial Liabilities									
Borrowings	19	660.56	101.82	550.03	83.04	348.28	55.72		
Trade payables	20	533.81	82.28	637.69	96.24	552.56	88.41		
Other financial liabilities	21	655.04	100.95	586.03	88.40	816.80	130.70		
Other current liabilities	22	37.33	5.76	35.20	5.31	29.90	4.78		
Provisions	23	39.08	6.02	32.90	4.96	27.66	4.42		
		<b>1,925.82</b>	<b>296.83</b>	<b>1,841.85</b>	<b>277.95</b>	<b>1,775.20</b>	<b>284.03</b>		
<b>TOTAL</b>		<b>8,968.69</b>	<b>1,382.42</b>	<b>8,120.86</b>	<b>1,225.59</b>	<b>7,171.45</b>	<b>1,147.44</b>		

Significant accounting policies 3  
The accompanying notes form an integral part of these Financial Statements.

As per our attached report of even date

**For Haribhakti & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No. 103523W/W100048

**Bhavik L. Shah**  
Partner  
Membership No. 122071  
Place : Mumbai  
Date : May 04, 2017

**Narendra Singh**  
Company Secretary

**Manas Datta**  
Chief Financial Officer

For and on behalf of the Board of Directors

**H. F. Khorakiwala**  
Chairman  
DIN: 00045608

**Huzaifa Khorakiwala**  
Executive Director  
DIN: 02191870

**Murtaza Khorakiwala**  
Managing Director  
DIN: 00102650

**Shekhar Datta**  
DIN: 00045591

**Aman Mehta**  
DIN: 00009364

**D. S. Brar**  
DIN: 00068502

**Sanjaya Baru**  
DIN: 05344208

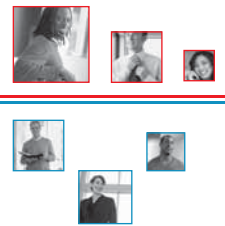
**Tasneem Mehta**  
DIN: 05009664

**Baldev Raj Arora**  
DIN: 00194168

**Vinesh Kumar Jairath**  
DIN: 00391684

Directors





## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the Year Ended March 31, 2017

	Notes	For the year ended March 31, 2017 ₹ in crore	For the year ended March 31, 2017 USD in million	For the year ended March 31, 2016 ₹ in crore	For the year ended March 31, 2016 USD in million
Revenue from operations	24	4,014.61	618.81	4,453.22	672.08
Other income	25	114.25	17.60	66.10	9.98
<b>TOTAL INCOME</b>		<b>4,128.86</b>	<b>636.41</b>	<b>4,519.32</b>	<b>682.06</b>
Expenses:					
Cost of materials consumed		891.90	137.48	945.86	142.75
Purchases of Stock-in-Trade		796.04	122.70	732.23	110.51
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	26	(25.87)	(3.99)	(64.41)	(9.72)
Employee benefits expense	27	966.51	148.98	950.77	143.49
Finance costs	28	225.27	34.72	128.96	19.46
Depreciation and amortization expense	4,5	148.93	22.96	141.91	21.42
Exchange fluctuation loss		13.42	2.07	15.21	2.30
Other expenses	29	1,359.81	209.60	1,379.32	208.17
<b>TOTAL EXPENSES</b>		<b>4,376.01</b>	<b>674.52</b>	<b>4,229.85</b>	<b>638.38</b>
<b>PROFIT / (LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX</b>		<b>(247.15)</b>	<b>(38.11)</b>	<b>289.47</b>	<b>43.68</b>
Exceptional items		-	-	-	-
<b>PROFIT / (LOSS) BEFORE TAX</b>		<b>(247.15)</b>	<b>(38.11)</b>	<b>289.47</b>	<b>43.68</b>
Tax expense:	8				
Current tax		(10.37)	(1.60)	(30.44)	(4.60)
Deferred tax (charge) / credit		31.48	4.85	(7.44)	(1.12)
<b>PROFIT / (LOSS) AFTER TAX</b>		<b>(226.04)</b>	<b>(34.86)</b>	<b>251.59</b>	<b>37.96</b>
Add : Share in Profit/(Loss) of Associate Companies		-	-	0.64	0.10
<b>NET PROFIT / (LOSS) FOR THE YEAR</b>		<b>(226.04)</b>	<b>(34.86)</b>	<b>252.23</b>	<b>38.06</b>
<b>PROFIT / (LOSS) FOR THE YEAR</b>					
Attributable to:					
Equity holders of the Company		(195.72)	(30.19)	250.72	37.83
Non-controlling interests		(30.32)	(4.67)	1.51	0.23
		<b>(226.04)</b>	<b>(34.86)</b>	<b>252.23</b>	<b>38.06</b>
<b>OTHER COMPREHENSIVE INCOME:</b>					
A (i) Items that will not be reclassified to profit or loss (Consisting of re-measurement of net defined benefit (liability) / asset)		(33.65)	(5.19)	5.75	0.87
(ii) Income tax relating to items that will not be reclassified to profit or loss		3.80	0.59	(1.27)	(0.19)
B (i) Items that will be reclassified to profit or loss (Consisting of Exchange differences on translating the financial statements of a foreign operation)		(151.72)	(23.39)	130.47	19.69
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-	-
<b>OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR</b>		<b>(181.57)</b>	<b>(27.99)</b>	<b>134.95</b>	<b>20.37</b>
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR</b>		<b>(407.61)</b>	<b>(62.85)</b>	<b>387.18</b>	<b>58.43</b>
Attributable to:					
Equity holders of the Company		(352.22)	(54.30)	411.89	62.16
Non-controlling interests		(55.39)	(8.55)	(24.71)	(3.73)
Earnings per equity share of face value of ₹ 5 each					
Basic ₹ / USD	32	(17.71)	(0.27)	22.71	0.34
Diluted ₹ / USD	32	(17.71)	(0.27)	22.55	0.34
Significant accounting policies	3				
The accompanying notes form an integral part of these Financial Statements.					

As per our attached report of even date

### For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W/W100048

#### Bhavik L. Shah

Partner

Membership No. 122071

Place : Mumbai

Date : May 04, 2017

#### Narendra Singh

Company Secretary

#### Manas Datta

Chief Financial Officer

For and on behalf of the Board of Directors

#### H. F. Khorakiwala

Chairman

DIN: 00045608

#### Huzaifa Khorakiwala

Executive Director

DIN: 02191870

#### Murtaza Khorakiwala

Managing Director

DIN: 00102650

#### Shekhar Datta

DIN: 00045591

#### Aman Mehta

DIN: 00009364

#### D. S. Brar

DIN: 00068502

#### Sanjaya Baru

DIN: 05344208

#### Tasneem Mehta

DIN: 05009664

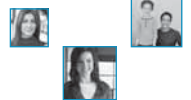
#### Baldev Raj Arora

DIN: 00194168

#### Vinesh Kumar Jairath

DIN: 00391684

Directors



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended March 31, 2017

### Equity Share Capital

As at April 01, 2015	Changes in equity share capital during the year	As at March 31, 2016	Changes in equity share capital during the year	As at March 31, 2017
₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
55.04	0.21	55.25	0.02	55.27

### Other equity

	Reserves & Surplus								Other comprehensive income	Total Equity attributable to the share holders of the Company	Non- controlling interests	Total Equity
	Capital Reserves		Capital Redemption Reserve	Securities Premium	Share Options Outstanding Account	General Reserves	Other reserves	Retained Earnings	Exchange differences on translating the financial statements of a foreign operation			
	Capital Contribution	Capital Reserves (other than capital contribution)										
₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	
<b>Balance as on April 01, 2015</b>	<b>43.96</b>	<b>172.78</b>	<b>489.35</b>	<b>89.54</b>	<b>45.76</b>	<b>253.69</b>	<b>-</b>	<b>2,392.94</b>	<b>145.22</b>	<b>3,633.24</b>	<b>145.81</b>	<b>3,779.05</b>
Profit / (Loss) for the year	-	-	-	-	-	-	-	250.72	-	250.72	1.51	252.23
Other comprehensive income / (Loss) for the year	-	-	-	-	-	-	-	5.01	156.16	161.17	(26.22)	134.95
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>255.73</b>	<b>156.16</b>	<b>411.89</b>	<b>(24.71)</b>	<b>387.18</b>
Net additions on ESOP options	-	-	-	18.39	(17.11)	6.14	-	-	-	7.42	-	7.42
Net movement in Foreign Currency Monetary Items Translation Difference Account (FCMITDA)	-	-	-	-	-	-	(21.82)	-	-	(21.82)	-	(21.82)
Additions / Deductions - On issue of shares to non-controlling interests by subsidiary	-	-	-	33.37	-	-	-	(344.23)	-	(310.86)	344.23	33.37
<b>Balance as on March 31, 2016</b>	<b>43.96</b>	<b>172.78</b>	<b>489.35</b>	<b>141.30</b>	<b>28.65</b>	<b>259.83</b>	<b>(21.82)</b>	<b>2,304.44</b>	<b>301.38</b>	<b>3,719.87</b>	<b>465.33</b>	<b>4,185.20</b>
Profit / (Loss) for the year	-	-	-	-	-	-	-	(195.72)	-	(195.72)	(30.32)	(226.04)
Other comprehensive income / (Loss) for the year	-	-	-	-	-	-	-	(25.93)	(130.57)	(156.50)	(25.07)	(181.57)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(221.65)</b>	<b>(130.57)</b>	<b>(352.22)</b>	<b>(55.39)</b>	<b>(407.61)</b>
Net additions on ESOP options	-	-	-	3.08	8.36	-	-	-	-	11.44	-	11.44
Net movement in Foreign Currency Monetary Items Translation Difference Account (FCMITDA)	-	-	-	-	-	-	14.94	-	-	14.94	-	14.94
Dividends received from Subsidiary	-	-	-	-	-	-	-	83.30	-	83.30	-	83.30
Dividends paid by Subsidiary	-	-	-	(85.34)	-	-	-	-	-	(85.34)	(28.00)	(113.34)
Dividends paid by the Company	-	-	-	-	-	-	-	(110.55)	-	(110.55)	-	(110.55)
<b>Balance as on March 31, 2017</b>	<b>43.96</b>	<b>172.78</b>	<b>489.35</b>	<b>59.04</b>	<b>37.01</b>	<b>259.83</b>	<b>(6.88)</b>	<b>2,055.54</b>	<b>170.81</b>	<b>3,281.44</b>	<b>381.94</b>	<b>3,663.38</b>

#### Notes: Nature and purpose of reserves:

##### Capital Contribution

Under Ind AS, preference shares have been measured at fair value at inception with reference to market rates and the difference to the extent pertaining to the promoters have been recognised as capital contribution.

##### General Reserve

General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as part of dividend.

##### Capital Reserves (Other than capital contribution)

Capital reserve comprises of reserve created on amalgamation of the subsidiaries with the Company and redemption of certain preference shares at 25% of the face value pursuant to modification in the terms of issue.

##### Capital Redemption Reserve

Capital redemption reserve was created during redemption of preference shares out of the profits of the Company in accordance with the requirements of the Companies Act, 2013.

##### Securities Premium

Securities premium is used to record the premium received on issue of shares. It shall be utilised in accordance with the provisions of the Companies Act, 2013.



#### Share Options Outstanding Account

The Company has adopted various equity-settled share based payment plans for certain categories of employees. Refer Note 41 for further details.

#### Exchange differences on translating the financial statements of a foreign operation (Foreign Currency Translation Reserve)

Exchange differences arising on monetary items that, in substance forms part of an entity's net investment in foreign operations are accumulated in this reserve, until the disposal of the net investment.

#### Foreign Currency Monetary Items Translation Difference Account (FCMITDA)

Under previous GAAP, paragraph 46A of Accounting Standard for 'The Effects of Changes in Foreign Exchange Rates' (AS 11) provided an alternative accounting treatment whereby exchange differences arising on long term foreign currency monetary items relating to depreciable asset are adjusted in fixed assets and depreciated over the remaining life of such assets and in other cases are accumulated in Foreign Currency Monetary item Translation Difference Account (FCMITDA) to be amortised over balance period of long term asset/liability. Ind AS 101 includes an optional exemption that allows a first-time adopter to continue the above accounting treatment in respect of the long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period.

As per our attached report of even date

#### For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W/W100048

#### Bhavik L. Shah

Partner

Membership No. 122071

Place : Mumbai

Date : May 04, 2017

#### Narendra Singh

Company Secretary

#### Manas Datta

Chief Financial Officer

For and on behalf of the Board of Directors

#### H. F. Khorakiwala

Chairman

DIN: 00045608

#### Huzaifa Khorakiwala

Executive Director

DIN: 02191870

#### Murtaza Khorakiwala

Managing Director

DIN: 00102650

#### Shekhar Datta

DIN: 00045591

#### Aman Mehta

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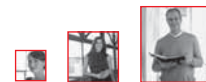
#### Baldev Raj Arora

DIN: 00194168

#### Vinesh Kumar Jairath

DIN: 00391684

Directors



## CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended March 31, 2017

	For the year ended March 31, 2017 ₹ in crore	For the year ended March 31, 2017 USD in million	For the year ended March 31, 2016 ₹ in crore	For the year ended March 31, 2016 USD in million
<b>A. CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES:</b>				
Net Profit / (Loss) Before Tax	(247.15)	(38.11)	289.47	43.68
Adjustments for :				
Advances no more recoverable	0.08	0.01	0.05	0.01
Expense on Employee Stock Option Scheme (ESOS)	10.97	1.69	7.20	1.09
Depreciation and Amortisation expense	148.93	22.96	141.91	21.42
Exchange fluctuation loss/(gain), net	13.42	2.07	15.21	2.30
MTM (gain) / loss on Current Investment	(39.99)	(6.16)	-	-
Liabilities no more payable	(4.38)	(0.68)	(6.82)	(1.04)
Allowance for credit loss	8.15	1.26	19.32	2.92
Bad debts	3.68	0.57	0.31	0.05
Loss on assets sold / write off of fixed assets (net)	0.30	0.05	4.03	0.61
Loss / (Profit) on Sale of Investments	(0.55)	(0.08)	0.23	0.03
Income from Investment	(2.17)	(0.33)	(4.45)	(0.67)
Finance cost	225.27	34.72	128.96	19.46
Interest income	(63.35)	(9.76)	(46.27)	(6.98)
Fair valuation impact on certain financial instruments	2.68	0.41	2.35	0.36
<b>Operating profit before Working Capital changes</b>	<b>55.89</b>	<b>8.62</b>	<b>551.50</b>	<b>83.24</b>
Movement in working capital				
(Increase) / Decrease in inventories	(4.19)	(0.65)	(82.98)	(12.52)
(Increase) / Decrease in trade receivables	35.01	5.40	(487.12)	(73.52)
(Increase) / Decrease in loans and advances and other assets	(70.06)	(10.80)	(26.83)	(4.04)
Increase / (decrease) in trade payables, other liabilities and provisions	(106.72)	(16.45)	138.90	20.96
Adjustment for translation difference in working capital	(151.43)	(23.34)	62.07	9.37
<b>Cash generated from / (used in) operations</b>	<b>(241.50)</b>	<b>(37.22)</b>	<b>155.54</b>	<b>23.49</b>
Income taxes paid	(27.97)	(4.31)	(83.93)	(12.67)
<b>Net cash from / (used in) Operating Activities (A)</b>	<b>(269.47)</b>	<b>(41.53)</b>	<b>71.61</b>	<b>10.82</b>
<b>B. CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES:</b>				
Purchase of fixed assets, additions to capital work in progress and intangibles under development	(410.62)	(63.29)	(491.94)	(74.24)
Proceeds from sale of fixed assets	1.87	0.29	0.14	0.02
Sale / (Purchase) of investments	(522.28)	(80.54)	368.16	55.56
Income from Investment	2.17	0.33	4.45	0.67
Margin money under lien and Fixed deposits (other than cash and cash equivalents)	177.34	27.34	(736.06)	(111.09)
Interest received	65.25	10.06	37.06	5.59
<b>Net cash from/(used in) Investing Activities (B)</b>	<b>(686.27)</b>	<b>(105.81)</b>	<b>(818.19)</b>	<b>(123.49)</b>



	For the year ended March 31, 2017 ₹ in crore	For the year ended March 31, 2017 USD in million	For the year ended March 31, 2016 ₹ in crore	For the year ended March 31, 2016 USD in million
<b>C. CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES:</b>				
Proceeds from issuance of share capital	0.02	-	0.21	0.03
Premium on issue of shares	-	-	0.20	0.03
Proceeds from issue of shares to non-controlling interests by subsidiary	-	-	85.71	12.94
Repayment of long term borrowings	(202.69)	(31.24)	(503.55)	(76.00)
Proceeds from long term borrowings	1,680.71	259.07	570.32	86.07
Short term borrowings (net)	120.51	18.58	189.81	28.65
Interest paid	(205.88)	(31.73)	(88.24)	(13.32)
Dividend paid (including dividend distribution tax) by the Company and Subsidiary	(138.18)	(21.30)	(0.20)	(0.03)
<b>Net cash from / (used in) Financing Activities (C)</b>	<b>1,254.49</b>	<b>193.38</b>	254.26	38.37
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>298.75</b>	<b>46.04</b>	(492.32)	(74.30)
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<b>664.64</b>	<b>102.45</b>	1,158.69	174.87
Unrealised gain / (loss) on foreign currency cash and cash equivalents	2.28	0.35	(1.73)	(0.26)
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b>965.67</b>	<b>148.85</b>	664.64	100.31
Components of cash and cash equivalents, as at March 31, 2017				
Cash	0.19	0.03	0.11	0.02
Balance with banks:				
- on current accounts (excluding unpaid dividend accounts)	474.29	73.11	657.43	99.22
- on Unpaid Dividend Account (Refer Note C below)	2.03	0.31	1.66	0.25
- on fixed deposit accounts	489.16	75.40	5.44	0.82
	<b>965.67</b>	<b>148.85</b>	664.64	100.31

**Notes:**

- A. All figures in bracket are outflow.  
 B. Income taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.  
 C. These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities.

As per our attached report of even date

**For Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 103523W/W100048

**Bhavik L. Shah**

Partner

Membership No. 122071

Place : Mumbai

Date : May 04, 2017

**Narendra Singh**

Company Secretary

**Manas Datta**

Chief Financial Officer

For and on behalf of the Board of Directors

**H. F. Khorakiwala**

Chairman

DIN: 00045608

**Huzaifa Khorakiwala**

Executive Director

DIN: 02191870

**Murtaza Khorakiwala**

Managing Director

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DIN: 05009664

**Baldev Raj Arora**

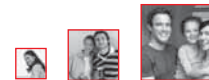
DIN: 00194168

**Vinesh Kumar Jairath**

DIN: 00391684

Directors





## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended March 31, 2017

(All amounts in crore of Indian Rupees unless otherwise stated)

### 1. CORPORATE INFORMATION

Wockhardt Limited (the 'Company') is a public limited company incorporated in India and has its registered office at D-4, MIDC, Chikalthana, Maharashtra, India.

The Company and its subsidiaries (the 'Group') is a Global Pharmaceutical and Biotech company with presence in USA, UK, Switzerland, Ireland, Mexico, Russia and many other countries. It has manufacturing and research facilities in India, USA & UK and a manufacturing facility in Ireland. The Company has a significant presence in USA, Europe and India. The financial statements were approved by the Board of Directors and authorised for issue on May 04, 2017.

#### Background

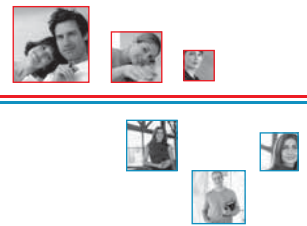
Wockhardt Limited ('WL' or 'Company') has controlling interest, directly or through subsidiaries, step down subsidiaries, associates in the following entities:

Entity	Country of Incorporation	Name of Parent	Percentage of holding (%)
<b>Subsidiaries</b>			
1 Wockhardt Infrastructure Development Limited	India	Wockhardt Limited	100%
2 Wockhardt UK Holdings Limited	England & Wales	Wockhardt Limited	100%
3 Wockhardt Bio AG [Formerly, Wockhardt EU Operations (Swiss) AG]*	Switzerland	Wockhardt Limited	85.85%
4 Wockhardt Europe Limited	British Virgin Islands	Wockhardt Limited	100%
<b>Step-down subsidiaries</b>			
1 CP Pharmaceuticals Limited**	England & Wales	Wockhardt Bio AG	100%
2 Wallis Group Limited	England & Wales	Wockhardt UK Holdings Limited	100%
3 The Wallis Laboratory Limited	England & Wales	Wallis Group Limited	100%
4 Wallis Licensing Limited	England & Wales	Wallis Group Limited	100%
5 Wockhardt Farmaceutica Do Brasil Ltda	Brazil	The Wallis Laboratory Limited	90%
		Wockhardt Europe Limited	10%
6 Z & Z Services GmbH (formerly, Eparma GmbH)	Germany	Wockhardt Bio AG	100%
7 Wockhardt UK Limited	England & Wales	Wockhardt Bio AG	100%
8 CP Pharma (Schweiz)AG	Switzerland	Wockhardt Bio AG	100%
9 Wockpharma Ireland Limited	Ireland	Wockhardt Bio AG	100%
10 Pinewood Healthcare Limited	England & Wales	Wockhardt Bio AG	100%
11 Pinewood Laboratories Limited	Ireland	Wockpharma Ireland Limited.	100%
12 Wockhardt France (Holdings) S.A.S.	France	Wockhardt Bio AG	100%
13 Niverpharma S.A.S.	France	Wockhardt France (Holdings) S.A.S.	100%
14 Laboratoires Pharma 2000 S.A.S.	France	Wockhardt France (Holdings) S.A.S.	100%
15 Laboratoires Negma S.A.S.	France	Wockhardt France (Holdings) S.A.S.	100%
16 Negma Beneulex S.A.	Belgium	Wockhardt France (Holdings) S.A.S.	53.97%
		Laboratoires Negma S.A.S.	46.03%
17 Phytex S.A.S.	France	Wockhardt France (Holdings) S.A.S.	100%
18 Wockhardt Holding Corp.	USA	Wockhardt Bio AG	100%
19 Morton Grove Pharmaceuticals Inc.	USA	Wockhardt Holding Corp.	100%
20 MGP Inc	USA	Wockhardt Holding Corp.	100%
21 Wockhardt USA LLC	USA	Morton Grove Pharmaceuticals Inc	100%
22 Wockhardt Farmaceutica SA DE CV	Mexico	Wockhardt Bio AG	100%
23 Wockhardt Services SA DE CV	Mexico	Wockhardt Bio AG	100%
24 Wockhardt Nigeria Limited	Nigeria	Wockhardt Europe Limited	100%
25 Wockhardt Bio (R) #	Russia	Wockhardt Bio AG	100%
26 Wockhardt Bio Pty Ltd #	Australia	Wockhardt Bio AG	100%
27 Wockhardt Bio Ltd #	New Zealand	Wockhardt Bio AG	100%
<b>Associate</b>			
1. Swiss Biosciences AG #	Switzerland	Wockhardt Bio AG	45%

# Wockhardt Bio (R), Wockhardt Bio Pty Ltd., Wockhardt Bio Ltd. have been incorporated in Russia, Australia & New Zealand on August 25, 2015, August 19, 2015 & November 11, 2015 respectively. Wockhardt Bio Ltd is yet to commence the business. The company's associate Swiss Bioscience AG was liquidated on April 13, 2015.

\* Wockhardt Bio AG, Switzerland, in accordance with stock option scheme approved by the Ordinary General Meeting of the Shareholders of Wockhardt Bio AG held on September 11, 2015, has allotted 5,000,000 Ordinary shares at the prevailing market price. With this issue of shares, Wockhardt Limited, the Company, now holds 85.85% of the share capital of Wockhardt Bio AG, Switzerland.

\*\* With effect from April 01, 2015, C P Pharmaceuticals Limited, UK, an erstwhile wholly owned subsidiary of Wockhardt UK Holdings Limited (a wholly owned subsidiary of the Company), has become wholly owned subsidiary of Wockhardt Bio AG, Switzerland.



The Company together with its subsidiaries Wockhardt Europe Limited ('WEL'), Wockhardt Infrastructure Development Limited ('WIDL'), Consolidated Wockhardt UK Holdings Limited ('WUK'), and Consolidated Wockhardt Bio AG (collectively, 'the Group') is primarily engaged in the business of manufacture and marketing of pharmaceutical products. The Group has eleven manufacturing locations and there are three locations where research and development activities are carried out.

## 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

### A. Statement of compliance

The Financial Statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with the Section 133 of the Companies Act, 2013 ("the 2013 Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These financial statements are the Group's first Ind AS financial statements and are covered by Ind AS 101, First-time adoption of Indian Accounting Standards (Ind AS 101). The transition to Ind AS has been carried out from the accounting principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP") which is considered as the "Previous GAAP" for purposes of Ind AS 101.

### B. Basis of preparation

The Financial Statements have been prepared on accrual basis under the historical cost convention except for the following material items in the statement of financial position:

- certain financial assets and liabilities (including derivative financial instruments) that are measured at fair value
- share-based payments
- Certain Property, Plant and equipments measured at fair value which has been considered as deemed cost

Convenience translation

The accompanying financial statements have been prepared in Indian rupees, the national currency of India. Solely for the convenience of the reader, the financial statements as of March 31, 2017, March 31, 2016 and April 01, 2015 have been translated into United States dollars at the closing rate USD 1 = ₹ 64.875 (March 31, 2016 - USD 1 = ₹ 66.260, April 01, 2015 - USD 1 = ₹ 62.500). No representation is made that the Indian rupee amounts have been, could have been or could be converted into United States dollars at such a rate or any other rate.

### C. Basis of consolidation

#### *Subsidiaries*

Subsidiaries are all entities that are controlled by the Company. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases. The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, income and expenses. For the purpose of preparing these consolidated financial statements, the accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Company.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet respectively.

#### *Associates (equity accounted investees)*

Associates are those entities over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entities but is not control or joint control of those policies. Significant influence is generally presumed to exist when the Company holds between 20% and 50% of the voting power of another entity.

Investments in associates are accounted for using the equity method (equity accounted investees) and are initially recognized at cost.

#### *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in full while preparing these consolidated financial statements. Unrealized gains or losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee.

### D. Use of Estimates and Judgments

The preparation of the financial statements in conformity with Ind AS requires the management to make judgements and estimates about the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the judgements and estimates used in preparation of the Financial Statements are prudent and reasonable.



The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies:

The following are the critical judgements, apart from those involving estimations, that the management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

(i) *Day 1 gain/loss on initial measurement:*

As part of the Corporate Debt Restructuring Scheme in 2008-09, the Group has issued preference shares at below market rate in lieu of the then outstanding interest accrued and net derivative losses. The fair value of these preference shares at initial measurement is computed as the present value of all future cash payments discounted using the prevailing market rate of interest for a similar instrument (similar as to currency, term, type of interest rate, credit risk and other factors). The difference between the fair value and transaction amount at initial measurement has been recorded as day 1 gain in retained earnings and capital contribution, as the fair value has been computed based on valuation techniques, which uses data from observable markets. Significant judgement is involved in assessing whether all the data used for valuation has been derived from observable markets and it has been determined that use of certain unobservable data (minor adjustments to observable data to match the term, interest rate, credit risk and other factors of preference shares) in these valuations are insignificant to the entire day 1 gain. Accordingly, the entire day 1 gain on initial measurement has been recognized upfront (to retained earnings) and not deferred.

(ii) *Leasehold land:*

The Group has entered into several arrangements for lease of land from Government entities and other parties. Significant judgement is involved in assessing whether such arrangements are in the nature of finance or operating lease. In making such an assessment, the Group considers various factors which includes whether the present value of minimum lease payments amounts to at least substantially all of the fair value of lease assets, renewal terms, purchase option, sub-lease options etc. Based on evaluation of above factors, leases are evaluated on case to case basis for the purpose of treating as in the nature of finance lease.

Key sources of estimation uncertainty:

(i) *Impairment of trade receivables:*

The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(ii) *Legal and other disputes:*

The Company provides for anticipated settlement costs where an outflow of resources is considered probable and a reliable estimate may be made of the likely outcome of the dispute and legal and other expenses arising from claims against the Company. These estimates take into account the specific circumstances of each dispute and relevant external advice which are inherently judgemental and could change substantially over time as new facts emerge and each dispute progresses.

(iii) *Post-employment benefits*

The costs of providing pensions and other post-employment benefits are charged to the income statement in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by management. These assumptions include future earnings and pension increases, discount rates, expected long-term rates of return on assets and mortality rates.

(iv) *Sales returns and rebates:*

Revenue is recognised when title and risk of loss is passed to the customer, reliable estimates can be made of relevant deductions and all relevant obligations have been fulfilled, such that the earnings process is regarded as being complete.

Gross turnover is reduced by rebates, discounts, allowances and product returns given or expected to be given, which vary by product arrangements and buying groups. These arrangements with purchasing organisations are dependent upon the submission of claims some time after the initial recognition of the sale. Accruals are made at the time of sale for the estimated rebates, discounts or allowances payable or returns to be made, based on available market information and historical experience.

Because the amounts are estimated they may not fully reflect the final outcome, and the amounts are subject to change dependent upon, amongst other things, the types of buying group and product sales mix.

The level of accrual for rebates and returns is reviewed and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. Market conditions are evaluated using wholesaler and other third-party analyses, market research data and internally generated information.



Future events could cause the assumptions on which the accruals are based to change, which could affect the future results of the Company.

- (v) Assumptions are also made by the management with respect to valuation of inventories, share based payments, evaluation of recoverability of deferred tax, contingencies, determination of useful lives of Property, plant and equipments and measurement of recoverable amounts of cash generation units.

### 3. SIGNIFICANT ACCOUNTING POLICIES OF THE GROUP:

#### a) Property, Plant and Equipment & Depreciation

##### *I. Recognition and Measurement:*

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the Company incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in Statement of Profit and Loss. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

##### *II. Subsequent expenditure*

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit and Loss.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

##### *III. Depreciation and amortisation*

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation is provided, using the straight line method, pro-rata to the period of use of assets, in accordance with the requirements of Schedule II of the Companies Act, 2013, based on the useful lives of the assets determined through technical assessment by the management.

Fixed assets whose aggregate cost is ₹ 5,000 or less are depreciated fully in the year of acquisition.

#### b) Intangible assets

##### *I. Recognition and Measurement:*

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises of its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use.

Expenditure on development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

##### *II. Subsequent Expenditure*

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

##### *III. Amortisation*

Intangible assets except goodwill are amortised over their estimated useful life on Straight Line Method. The estimated useful lives followed by the Company is upto 10 years.

The estimated useful lives of intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern, if any.

Goodwill is tested for impairment annually.



**c) Research and Development**

Research costs are expensed as incurred. Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. The carrying value of development costs is reviewed for impairment when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

**d) Impairment of assets**

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss.

The recoverable amount is the greater of the fair value less cost of disposal and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

**e) Foreign Currency Transactions / Translations:**

- i) Transactions in foreign currencies are translated to the reporting currency at exchange rates at the dates of the transactions.
- ii) Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the reporting currency at the exchange rate at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.
- iii) Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in the Statement of Profit and Loss in the period in which they arise.
- iv) The Company has availed an option of continuing the policy adopted for exchange differences arising from translation of long term foreign currency monetary items outstanding as on March 31, 2016. Accordingly, foreign exchange gain/losses on long term foreign currency monetary items relating to the acquisition of depreciable assets are added to or deducted from the cost of such assets and in other cases, such gains or losses are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" to be amortised over the remaining life of the concerned monetary item.

**f) Financial Instruments**

**I. Financial assets**

(i) Classification of financial assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

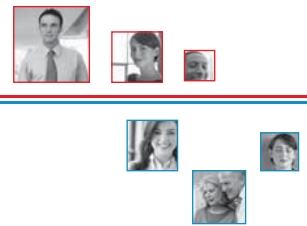
*Debt instruments at amortised cost:*

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.





*Debt instruments at 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 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 EIR method. The Company does not have any instruments classified as fair value through other comprehensive income (FVOCI).

*Debt instruments measured at fair value through profit and 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.

*Equity investments:*

Investment in associates are accounted using equity method.

All other equity investments which are in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

The Company does not have any equity investments designated at FVOCI.

*Derivative financial instruments:*

The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

(ii) Initial recognition and measurement

All financial assets are recognised initially at fair value and for those instruments that are not subsequently measured at FVTPL, plus/minus transaction costs that are attributable to the acquisition of the financial assets.

Trade receivables are carried at original invoice price as the sales arrangements do not contain any significant financing component. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

(iii) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company 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 or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - (a) the Company has transferred substantially all the risks and rewards of the asset, or
  - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.



When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates whether it has transferred substantially all the risks and rewards of ownership. In such cases, the financial asset is derecognised. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

(iv) **Impairment of financial assets**

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, historical observed default rates are updated and changes in the forward-looking estimates are analysed.

II. **Financial Liabilities and equity instruments:**

Debt and equity instruments issued by an entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(i) **Equity instruments:**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by an entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(ii) **Financial liabilities: - Classification:**

Financial liabilities are classified as either 'at FVTPL' or 'other financial liabilities'. FVTPL liabilities consist of derivative financial instruments, wherein the gains/losses arising from remeasurement of these instruments is recognized in the Statement of Profit and Loss. Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

(iii) **Initial recognition and measurement:**

All financial liabilities are recognised initially at fair value and for those instruments that are not subsequently measured at FVTPL, plus/minus transaction costs that are attributable to issue of these instruments.

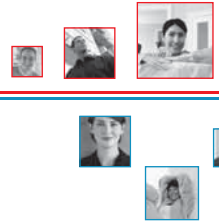
(iv) **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

III. **Fair value:**

The Company determines the fair value of its financial instruments on the basis of the following hierarchy:

- (a) Level 1: The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date. Examples include exchange-traded commodity derivatives and other financial assets such as investments in equity and debt securities which are listed in a recognized stock exchange.



- (b) Level 2: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions. For example, the fair value of forward exchange contracts, currency swaps and interest rate swaps is determined by discounting estimated future cash flows using a risk-free interest rate.
- (c) Level 3: The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

#### IV. Accounting for day 1 differences:

If the fair value of the financial asset at initial recognition differs from the transaction price, this difference if it is not consideration for goods or services or a deemed capital contribution or deemed distribution, is accounted as follows:

- if the fair value is evidenced by a quoted price in an active market for an identical asset or liability (ie a Level 1 input) or based on a valuation technique that uses only data from observable market, the entire day 1 gain/loss is recorded immediately in the Statement of Profit and Loss; or
- in all other cases, the difference between the fair value at initial recognition and the transaction price is deferred. After initial recognition, the deferred difference is recorded as gain or loss in the Statement of Profit and Loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability

In case the difference represents:

- (i) deemed capital contribution - it is recorded to recorded as an Investment in Subsidiary,
- (ii) deemed distribution - It is recorded in equity
- (iii) deemed consideration for goods and services - it is recorded as an asset or a liability. This amount is amortized/accredited to the Statement of Profit and Loss as per the substance of the arrangement (generally straight-line basis over the duration of the arrangement)

#### V. Embedded derivatives

If the hybrid contract contains a host that is a financial asset within the scope of Ind-AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in Statement of Profit and Loss, unless designated as effective hedging instruments. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows.

#### VI. Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

#### VII. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### g) **Business combinations**

- i) The Company accounts for each business combination by applying the acquisition method. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.
- ii) Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.
- iii) The Company measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount of the identifiable assets acquired and liabilities (including contingent liabilities in case such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably) assumed. When the fair value of the net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, a bargain purchase gain is recognized as capital reserve.



- iv) Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to settlement of pre-existing relationships.
- v) 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.
- vi) Transaction costs that the Company incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.
- vii) On an acquisition-by-acquisition basis, the Company recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.
- viii) Any goodwill that arises on account of such business combination is tested annually for impairment.
- ix) Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders. The difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity.

**h) Income tax**

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates items recognised directly in equity or in OCI.

*Current tax*

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured at the amount expected to be recovered from or paid to the taxation authorities, using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends if any.

Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognised amounts; and
- b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

*Deferred tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.



**i) Inventories**

All inventories are valued at moving weighted average price other than finished goods, which are valued on quarterly moving average price. Finished goods and Work in progress is computed based on respective moving weighted average price of procured materials and appropriate share of labour and other manufacturing overheads.

Inventories are valued at cost or net realizable value, whichever is lower. Cost also includes all charges incurred for bringing the inventories to their present location and condition. Excise and customs duty accrued on production or import of goods, as applicable, is included in the valuation of finished goods.

Inventories of stores and spare parts are valued at cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

**j) Revenue Recognition**

*Sale of goods*

Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

Revenue from the sale of goods includes excise duty and is measured at the fair value of the consideration received or receivable, net of returns, sales tax and applicable trade discounts and allowances, chargebacks and rebates. Revenue includes shipping and handling costs billed to the customer. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreements.

*Sale of Services*

Revenues from services is recognized in accordance with the terms of the relevant agreement(s) as generally accepted and agreed with the customers.

*Export Incentive*

Duty drawback, Merchandise Exports from India Scheme (MEIS) and Focus marketing scheme (FMS) benefits are recognized at the time of exports and the benefits in respect of advance license received by the Company against export made by it are recognized as and when goods are imported against them.

*Royalties*

Revenue is recognized on an accrual basis in accordance with the terms of the relevant agreement.

Revenue is recognised when it is reasonable to expect that the ultimate collection will be made.

*Insurance claims*

Insurance claims are accounted on acceptance of the claim and when it can be measured reasonably, and it is reasonable to expect ultimate collection.

Interest income is recognised with reference to the Effective Interest Rate method. Dividend from investments is recognised as revenue when right to receive is established.

**k) Employee Benefits**

*Short term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

*Defined contribution plans*

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

*Defined benefit plans*

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.





The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability / asset, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI). Net interest expense / income on the net defined liability / assets is computed by applying the discount rate, used to measure the net defined liability / asset. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

*Other long-term employee benefits*

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurement are recognised in Statement of Profit and Loss in the period in which they arise.

**l) Share-based payment transactions**

Employees Stock Options Plans ("ESOPs"): The grant date fair value of options granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognized in connection with share based payment transaction is presented as a separate component in equity under "Share Options Outstanding Account". The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest.

**m) Leases**

*Determination of lease arrangement*

An arrangement, which is not in the legal form of a lease, is accounted for as a lease, if:

- a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and
- b) the arrangement conveys a right to use the asset.

At inception of an arrangement, the Company determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If it is impracticable to separate the payments reliably, then a finance lease receivable is recognised at an amount equal to the fair value of the underlying asset; subsequently, the receivable is reduced as payments are made and a finance income is recognised using the interest rate implicit in the lease.

*Finance Lease*

Agreements are classified as finance leases, if substantially all the risks and rewards incidental to ownership of the leased asset is transferred to the lessee.

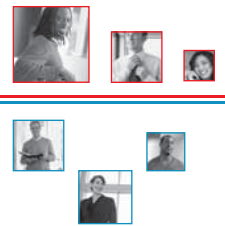
Assets given under finance leases are recognised as a receivable at an amount equal to the net investment in the lease. Finance income is allocated over the lease term on a systematic and rational basis. This income allocation is based on a pattern reflecting a constant periodic return on the net investment in the finance lease.

Minimum lease payments, for assets taken under finance lease, are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

*Operating Lease*

Agreements which are not classified as finance leases are considered as operating lease.

Payments made under operating leases are recognised in Statement of Profit and Loss on a straight line basis, unless the escalation clauses are in line with the expected inflation at the inception of the respective lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.



**n) Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed in the Notes. Contingent liabilities are disclosed for (1) possible obligations which will be confirmed only by future events not wholly within the control of the Company or (2) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised in the financial statements as this may result in the recognition of income that may never be realised. Contingent assets (if any) are disclosed in the notes to the financial statements.

**o) Borrowing costs**

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs include interest costs measured at EIR and exchange differences arising from foreign currency borrowings (other than long term foreign currency borrowings outstanding as of March 31, 2016) to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, allocated to qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

**p) Government Grants**

Government grants are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant;

- In case of capital grants, they are then recognised in Statement of Profit and Loss as other income on a systematic basis over the useful life of the asset.
- In case of grants that compensate the Company for expenses incurred are recognised in Statement of Profit and Loss on a systematic basis in the periods in which the expenses are recognised.

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same.

**q) Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

**r) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

**s) Operating cycle**

All assets and liabilities have been classified as current or non-current as per each Company's normal operating cycle and other criteria set out in the Schedule III to the Act.



4. PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Block			Accumulated Depreciation			Net Block					
	As at April 1, 2016	Additions	Disposals	As at March 31, 2017	As at April 1, 2016	Depreciation charge for the year	Impairment Losses	Deduction /Transfer	Exchange Gain / (Loss)	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	USD in million	USD in million
Freehold Land (Refer note (a) below)	150.40	-	-	149.18	-	-	-	-	-	149.18	22.99	150.40
Leasehold land (Refer note (a) below)	281.13	-	-	281.13	3.08	3.76	-	-	-	274.29	42.28	278.05
Buildings	465.29	28.56	(0.63)	479.87	140.24	13.51	-	(0.27)	(7.63)	334.02	51.49	325.05
Plant and Equipment	2,013.54	146.89	(5.24)	2,105.09	908.17	102.41	-	(4.42)	(37.39)	1,136.32	175.15	1,105.37
Furniture and Fixtures	55.72	3.86	(0.46)	56.04	35.05	3.96	-	(0.46)	(2.17)	19.66	3.03	20.67
Vehicles	6.88	0.32	(0.23)	6.94	5.25	0.86	-	(0.21)	(0.02)	1.06	0.16	1.63
Office equipment	45.44	1.70	(11.18)	32.54	22.61	3.36	-	(11.14)	(2.13)	19.84	3.06	22.83
Information Technology Equipments	78.86	4.20	(0.03)	81.37	65.61	9.59	-	(0.03)	(1.48)	7.68	1.18	13.25
<b>Total</b>	<b>3,097.26</b>	<b>185.53</b>	<b>(17.77)</b>	<b>3,192.16</b>	<b>1,180.01</b>	<b>137.45</b>	-	<b>(16.53)</b>	<b>(50.82)</b>	<b>1,942.05</b>	<b>299.34</b>	<b>1,917.25</b>
<b>Capital Work in Progress</b> (Refer Note (b) below)										<b>971.29</b>	<b>149.72</b>	<b>928.18</b>

Particulars	Gross Block			Accumulated Depreciation			Net Block					
	As at April 1, 2015	Additions	Disposals	As at March 31, 2016	As at April 1, 2015	Depreciation charge for the year	Impairment Losses	Deduction /Transfer	Exchange Gain / (Loss)	As at March 31, 2016	As at April 1, 2015	As at April 1, 2015
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	USD in million
Freehold Land (Refer note (a) below)	147.54	-	(0.06)	150.40	-	-	-	-	-	150.40	22.70	23.61
Leasehold land (Refer note (a) below)	253.96	28.33	(1.16)	281.13	-	3.32	-	(0.24)	-	278.05	41.96	40.63
Buildings	415.72	35.43	-	465.29	122.97	12.43	-	-	4.84	140.24	49.06	46.84
Plant and Equipment	1,635.62	365.19	(11.48)	2,013.54	803.53	94.00	-	(7.34)	17.98	908.17	166.82	133.13
Furniture and Fixtures	51.21	3.16	(0.10)	55.72	30.06	4.19	-	(0.07)	0.87	35.05	20.67	3.38
Vehicles	6.72	0.52	(0.40)	6.88	4.79	0.82	-	(0.40)	0.04	5.25	1.63	0.31
Office equipment	37.03	7.19	(0.08)	45.44	18.78	2.77	-	(0.08)	1.14	22.61	22.83	2.92
Information Technology Equipments	64.73	12.60	(0.76)	78.86	56.44	8.00	-	(0.76)	1.93	65.61	2.00	1.33
<b>Total</b>	<b>2,612.53</b>	<b>452.42</b>	<b>(14.04)</b>	<b>3,097.26</b>	<b>1,036.57</b>	<b>125.53</b>	-	<b>(8.89)</b>	<b>26.80</b>	<b>1,180.01</b>	<b>289.36</b>	<b>252.15</b>
<b>Capital Work in Progress</b> (Refer Note (b) below)										<b>928.18</b>	<b>140.08</b>	<b>161.17</b>

Notes:

(a) The Group has in accordance with provisions of Ind-AS 101 First time adoption of Indian Accounting Standards, considered fair value for certain properties viz. freehold and leasehold land as the deemed cost as on its Opening Balance Sheet on April 01, 2015. Consequently, the impact on Freehold land amounting ₹ 35.91 crore and leasehold land amounting ₹ 236.27 crore being the difference of book value and fair value of these land properties have been credited in the retained earnings as on April 01, 2015. The balance assets have been recomputed as per the requirements of Ind AS retrospectively as applicable.



- (b) Addition to Capital Work-In-Progress includes expenditure incurred during construction period pending allocation aggregating ₹ 16.83 crore (Previous Year - ₹ 23.47 crore). These expenses include Employee Cost ₹ 4.90 crore (Previous year - ₹ 12.25 crore), material cost ₹ 0.73 crore (Previous year - ₹ 1.77 crore), depreciation ₹ Nil (Previous year ₹ 0.01 crore), Interest Cost ₹ 5.30 crore (Previous Year - ₹ 0.60 crore) and Other operating cost ₹ 5.90 crore (Previous year - ₹ 8.84 crore) [Rates and taxes ₹ 0.19 crore (Previous year : ₹ 0.10 crore), Repairs and maintenance ₹ 0.71 crore (Previous year: ₹ 0.32 crore), Stores and spare parts consumed ₹ 0.38 crore (Previous year: ₹ 0.03 crore), legal and professional charges ₹ 0.13 crore (Previous year : ₹ 0.66 crore), and Other general expenses ₹ 4.49 crore (Previous year : ₹ 6.57 crore)].
- (c) Exchange differences arising on long term foreign currency monetary items relating to depreciable asset are adjusted in additions above amounts to ₹ -4.18 crore (Previous year: ₹ 6.96 crore)
- (d) Measurement of Fair value
- i) Fair value hierarchy:  
The Fair value of freehold and leasehold land has been determined by external, independent property valuers, having appropriate recognised professional qualifications and experience in the category of the property being valued.  
The fair value measurement has been categorised as Level 2 fair value based on the inputs to the valuation technique used.
- ii) Valuation technique:  
Value of the property has been arrived at using market approach using market corroborated inputs. Adjustments have been made for factors specific to the assets valued including location and condition of the assets, the extent to which inputs relate to items that are comparable to the asset and the volume or level of activity in the markets within which the inputs are observed.
- (e) Charge has been created against the aforesaid assets for the borrowings taken by the Company and its subsidiary (Refer note 17 and 19).



5 - GOODWILL

Particulars	Gross Block			Accumulated Impairment			Net Block			
	As at April 1, 2016 ₹ in crore	Additions ₹ in crore	Disposals ₹ in crore	Exchange Gain / (Loss) ₹ in crore	As at March 31, 2017 ₹ in crore	As at April 1, 2016 ₹ in crore	Deduction / Transfer ₹ in crore	As at March 31, 2017 ₹ in crore	As at March 31, 2016 ₹ in crore	As at April 01, 2015 USD in million
Goodwill on consolidation	1,841.56	-	-	(60.38)	1,781.18	1,048.56	-	1,044.67	793.00	119.68

Particulars	Gross Block			Accumulated Impairment			Net Block		
	As at April 01, 2015 ₹ in crore	Additions ₹ in crore	Disposals ₹ in crore	Exchange Gain / (Loss) ₹ in crore	As at March 31, 2016 ₹ in crore	As at April 01, 2015 ₹ in crore	Deduction / Transfer ₹ in crore	As at March 31, 2016 ₹ in crore	As at April 01, 2015 USD in million
Goodwill on consolidation	1,762.30	-	-	79.26	1,841.56	1,047.78	-	793.00	114.32

OTHER INTANGIBLE ASSETS

Particulars	Gross Block			Accumulated Amortization			Net Block			
	As at April 1, 2016 ₹ in crore	Additions ₹ in crore	Disposals ₹ in crore	Exchange Gain / (Loss) ₹ in crore	As at March 31, 2017 ₹ in crore	As at April 1, 2016 ₹ in crore	Amortization charge for the year ₹ in crore	As at March 31, 2017 ₹ in crore	As at March 31, 2016 ₹ in crore	As at April 01, 2015 USD in million
Brands / Trademarks/ Technical know-how	396.51	3.05	(0.48)	(11.69)	387.39	5.92	(0.48)	326.12	66.42	10.02
Computer software	90.24	6.38	-	(0.95)	95.67	5.56	(0.82)	62.95	32.03	4.83
<b>Total</b>	<b>486.75</b>	<b>9.43</b>	<b>(0.48)</b>	<b>(12.64)</b>	<b>483.06</b>	<b>11.48</b>	<b>(0.48)</b>	<b>389.07</b>	<b>98.45</b>	<b>14.85</b>
<b>Intangible assets under Development</b>								<b>272.66</b>	<b>107.87</b>	<b>16.28</b>

Particulars	Gross Block			Accumulated Amortization			Net Block			
	As at April 01, 2015 ₹ in crore	Additions ₹ in crore	Disposals ₹ in crore	Exchange Gain / (Loss) ₹ in crore	As at March 31, 2016 ₹ in crore	As at April 01, 2015 ₹ in crore	Amortization charge for the year ₹ in crore	As at March 31, 2016 ₹ in crore	As at April 01, 2015 ₹ in crore	As at April 01, 2015 USD in million
Brands / Trademarks/ Technical know-how	368.59	3.15	-	24.77	396.51	9.58	15.19	330.09	63.27	10.12
Computer software	79.37	8.43	-	2.44	90.24	6.80	1.91	58.21	29.87	4.78
<b>Total</b>	<b>447.96</b>	<b>11.58</b>	<b>-</b>	<b>27.21</b>	<b>486.75</b>	<b>16.38</b>	<b>17.10</b>	<b>388.30</b>	<b>93.14</b>	<b>14.90</b>
<b>Intangible assets under Development</b>								<b>107.87</b>	<b>-</b>	<b>-</b>

Note: The Group has chosen to value the above as per the requirements of Ind AS retrospectively as applicable.





## 5 GOODWILL ON CONSOLIDATION

**Movement of carrying amount** - Refer Schedule of Goodwill

### Impairment testing of Goodwill on Consolidation

#### A. Pinewood Laboratories Limited

Pinewood Laboratories Limited ("Pinewood"), incorporated in Ireland, is a step down Subsidiary of the Company.

The goodwill is majorly attributable to Pinewood .

For the purposes of impairment testing, carrying amount of goodwill has been allocated to the following Cash Generating Units (CGU's) as follows:

Particulars	As at	As at	As at
	March 31, 2017 ₹ in crore	March 31, 2016 ₹ in crore	April 01, 2015 ₹ in crore
Pinewood	617.88	672.89	598.42
	617.88	672.89	598.42

The recoverable amounts of the above CGU's have been assessed using a value-in-use model. Value in use is generally calculated as the net present value of the projected post-tax cash flows plus a terminal value of the cash generating unit to which the goodwill is allocated. Initially a post-tax discount rate is applied to calculate the net present value of the post-tax cash flows.

The key assumptions used in the estimation of the recoverable amount are set out below.

The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

The cash flow projections included specific estimates for five years developed using internal forecasts and a terminal growth rate thereafter. The planning horizon reflects the assumptions for short-to-mid term market developments.

Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs. The discount rate is estimated based on the weighted average cost of capital for respective CGU or group of CGUs. Post-tax discount rates used was 10.1% as on March 31, 2017, 10.0% as on March 31, 2016 and 10.1% as on April 01, 2015.

The management 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 cash- generating unit.

#### B. CP Pharmaceuticals Limited

CP Pharmaceuticals Limited ("CP Pharmaceuticals"), incorporated in UK, is a step down Subsidiary of the Company.

For the purposes of impairment testing, carrying amount of goodwill has been allocated to the following Cash Generating Units (CGU's) as follows:

Particulars	As at	As at	As at
	March 31, 2017 ₹ in crore	March 31, 2016 ₹ in crore	April 01, 2015 ₹ in crore
CP Pharmaceuticals	43.94	43.94	43.94
	43.94	43.94	43.94

The recoverable amounts of the above CGU's have been assessed using a value-in-use model. Value in use is generally calculated as the net present value of the projected post-tax cash flows plus a terminal value of the cash generating unit to which the goodwill is allocated. Initially a post-tax discount rate is applied to calculate the net present value of the post-tax cash flows.

The key assumptions used in the estimation of the recoverable amount are set out below.

The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

The cash flow projections included specific estimates for five years developed using internal forecasts and a terminal growth rate thereafter. The planning horizon reflects the assumptions for short-to-mid term market developments.

Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs. The discount rate is estimated based on the weighted average cost of capital for respective CGU or group of CGUs. Post- tax discount rates used was 10.1% as on March 31, 2017, 9.7% as on March 31, 2016 and 9.5% as on April 01, 2015.

The management 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 cash- generating unit.



### C. Morton Grove Pharmaceuticals Inc.

Morton Grove Pharmaceuticals Inc. ("Morton Grove"), incorporated in USA, is a step down Subsidiary of the Company.

For the purposes of impairment testing, carrying amount of goodwill has been allocated to the following Cash Generating Units (CGU's) as follows:

Particulars	As at March 31, 2017 ₹ in crore	As at March 31, 2016 ₹ in crore	As at April 01, 2015 ₹ in crore
Morton Grove	74.69	76.17	72.16
	74.69	76.17	72.16

The recoverable amounts of the above CGU's have been assessed using a value-in-use model. Value in use is generally calculated as the net present value of the projected post-tax cash flows plus a terminal value of the cash generating unit to which the goodwill is allocated. Initially a post-tax discount rate is applied to calculate the net present value of the post-tax cash flows.

The key assumptions used in the estimation of the recoverable amount are set out below.

The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

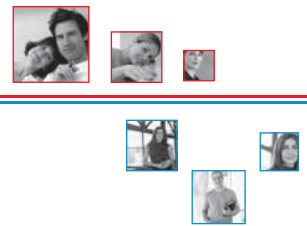
The cash flow projections included specific estimates for five years developed using internal forecasts and a terminal growth rate thereafter. The planning horizon reflects the assumptions for short-to-mid term market developments.

Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs. The discount rate is estimated based on the weighted average cost of capital for respective CGU or group of CGUs. Post-tax discount rates used was 9.6% as on March 31, 2017, 9.1% as on March 31, 2016 and 9.1% as on April 01, 2015.

The management 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 cash-generating unit.

### 6. NON CURRENT FINANCIAL ASSETS - INVESTMENTS

	As at March 31, 2017 ₹ in crore	As at March 31, 2017 USD in million	As at March 31, 2016 ₹ in crore	As at March 31, 2016 USD in million	As at April 01, 2015 ₹ in crore	As at April 01, 2015 USD in million
<b>Investments carried at fair value through profit or loss</b>						
<b>Unquoted Equity Shares:</b>						
443,482 (March 31, 2016: 443,482; April 01, 2015: 443,482) Equity Shares of Narmada Clean Tech Limited (formerly known as Bharuch Eco-Aqua Infrastructure Limited) of ₹ 10 each fully paid up	0.44	0.07	0.44	0.07	0.44	0.07
6,300 (March 31, 2016: 6,300; April 01, 2015: 6300) Equity Shares of Bharuch Enviro Infrastructure Limited of ₹ 10 each fully paid up	0.01	-	0.01	-	0.01	-
	0.45	0.07	0.45	0.07	0.45	0.07
<b>Investments carried as per Equity method</b>						
<b>Investment in associate</b>						
Nil (March 31, 2016: Nil; April 01, 2015: 755,000) Equity shares of Swiss Biosciences AG (Refer note 42)	-	-	-	-	2.17	0.35
	-	-	-	-	2.17	0.35
	0.45	0.07	0.45	0.07	2.62	0.42
<b>Aggregate book value of unquoted investments</b>	0.45	0.07	0.45	0.07	2.62	0.42



## 7. NON-CURRENT FINANCIAL ASSETS - OTHERS

	As at March 31, 2017 ₹ in crore	As at March 31, 2017 USD in million	As at March 31, 2016 ₹ in crore	As at March 31, 2016 USD in million	As at April 01, 2015 ₹ in crore	As at April 01, 2015 USD in million
<b>Other financial assets carried at amortised cost</b>						
Margin money (under lien)	1.47	0.23	3.28	0.50	4.83	0.77
Security Deposits (includes deposits with Related parties ₹ 30.93 crore (March 31, 2016 : ₹ 28.90 crore; April 01, 2015 : ₹ 19.84 crore) - Refer note 38)	47.10	7.26	43.81	6.61	35.04	5.61
<b>TOTAL</b>	<b>48.57</b>	<b>7.49</b>	<b>47.09</b>	<b>7.11</b>	<b>39.87</b>	<b>6.38</b>

## 8. INCOME TAX

### (a) Tax recognised in profit or loss

	For the year ended March 31, 2017 ₹ in crore	For the year ended March 31, 2016 ₹ in crore
<b>Current tax (charge)/credit</b>	<b>(10.37)</b>	(30.44)
<b>Deferred tax (charge)/credit, net</b>		
Origination and reversal of temporary differences including Minimum Alternate Tax (MAT) credit entitlement	26.92	(7.44)
Reduction in tax rate	4.56	-
<b>Deferred tax (charge)/credit</b>	<b>31.48</b>	(7.44)
<b>Tax (charge)/credit for the year</b>	<b>21.11</b>	(37.88)

The decrease in Indian corporate tax rate from 34.610% to 33.063% for the financial year 2016-17 resulted in a remeasurement of deferred tax liability as of March 31, 2017. Consequently, a gain of ₹ 4.56 crore relating to such remeasurement was recognised in the income statement during the year ended March 31, 2017.

### (b) Tax recognised in other comprehensive income

	For the year ended March 31, 2017			For the year ended March 31, 2016		
	Before tax (charge)/ credit ₹ in crore	Tax (charge)/ credit ₹ in crore	Net of tax (charge)/ credit ₹ in crore	Before tax (charge)/ credit ₹ in crore	Tax (charge)/ credit ₹ in crore	Net of tax (charge)/ credit ₹ in crore
<b>Items that will not be reclassified to profit or loss</b>						
Re-measurements of the defined benefit plans	(33.65)	3.80	(29.85)	5.75	(1.27)	4.48
<b>TOTAL</b>	<b>(33.65)</b>	<b>3.80</b>	<b>(29.85)</b>	<b>5.75</b>	<b>(1.27)</b>	<b>4.48</b>



(c) Reconciliation of effective tax rate

	For the year ended March 31, 2017 ₹ in crore	For the year ended March 31, 2016 ₹ in crore
<b>Profit/(loss) before tax</b>	<b>(247.15)</b>	289.47
Tax using the Company's domestic tax rate (Current year 33.063% and Previous Year 34.610%)	<b>(81.71)</b>	100.18
Differences in tax rates of foreign jurisdictions	<b>67.91</b>	(12.85)
Adjustment of tax charge in respect of prior periods	<b>(3.85)</b>	(19.74)
Non-deductible tax expenses	<b>13.56</b>	7.03
Current-year losses for which no deferred tax asset is recognised	<b>8.45</b>	48.02
Incremental deduction / credit allowed for research and development costs	<b>(81.64)</b>	(62.59)
Recognition of tax effect of previously unrecognised tax losses	<b>(1.86)</b>	(1.12)
Effect of withholding tax paid at different tax rate	<b>4.28</b>	-
Investment allowance deduction	<b>(5.43)</b>	(15.85)
Tax / Deferred tax on intercompany adjustments	<b>52.34</b>	(15.09)
Other temporary differences	<b>6.84</b>	9.90
	<b>(21.11)</b>	37.88
Effective tax rate for the year	<b>8.54%</b>	13.09%

(d) Deferred tax assets and liabilities are attributable to the following:

	Deferred tax assets			Deferred tax (liabilities)			Net deferred tax asset/(liabilities)		
	As at March 31, 2017 ₹ in crore	As at March 31, 2016 ₹ in crore	As at April 01, 2015 ₹ in crore	As at March 31, 2017 ₹ in crore	As at March 31, 2016 ₹ in crore	As at April 01, 2015 ₹ in crore	As at March 31, 2017 ₹ in crore	As at March 31, 2016 ₹ in crore	As at April 01, 2015 ₹ in crore
Property, plant and equipment	<b>(252.63)</b>	(217.74)	(7.11)	<b>(47.87)</b>	(49.95)	(232.80)	<b>(300.50)</b>	(267.69)	(239.91)
Unabsorbed losses	<b>115.81</b>	72.71	3.54	-	-	-	<b>115.81</b>	72.71	3.54
Unrealised profit on inventory	<b>43.37</b>	48.78	63.09	<b>0.48</b>	-	0.54	<b>43.85</b>	48.78	63.63
Employee benefits	<b>24.34</b>	21.04	3.10	-	(1.55)	17.53	<b>24.34</b>	19.49	20.63
Deferred income / expenses	<b>51.27</b>	49.54	84.51	-	-	-	<b>51.27</b>	49.54	84.51
Provision for doubtful debts	<b>42.39</b>	44.33	19.13	<b>0.27</b>	-	26.74	<b>42.66</b>	44.33	45.87
Other items	<b>3.15</b>	2.29	1.10	-	-	0.68	<b>3.15</b>	2.29	1.78
Minimum Alternate Tax (MAT) credit entitlement	<b>145.14</b>	124.12	-	<b>7.40</b>	4.28	126.51	<b>152.54</b>	128.40	126.51
<b>Deferred tax assets/ (liabilities)</b>	<b>172.84</b>	145.07	167.36	<b>(39.72)</b>	(47.22)	(60.80)	<b>133.12</b>	97.85	106.56

**(e) Movement in deferred tax asset/(liabilities)**

₹ in crore

	Net deferred tax asset/(liabilities) as on April 01, 2016	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Net deferred tax asset/(liabilities) as on March 31, 2017
<b>Deferred tax asset/(liabilities)</b>					
Property, plant and equipment	(267.69)	(32.81)	–	–	<b>(300.50)</b>
Unabsorbed losses	72.71	43.10	–	–	<b>115.81</b>
Unrealised profit on inventory	48.78	(4.93)	–	–	<b>43.85</b>
Employee benefits	19.49	1.05	3.80	–	<b>24.34</b>
Deferred income / expenses	49.54	1.73	–	–	<b>51.27</b>
Provision for doubtful debts	44.33	(1.67)	–	–	<b>42.66</b>
Other items	2.29	0.86	–	–	<b>3.15</b>
<b>Deferred tax assets/(liabilities)</b>	<b>(30.55)</b>	<b>7.34</b>	<b>3.80</b>	<b>–</b>	<b>(19.42)</b>
Minimum Alternate Tax (MAT) credit entitlement	128.40	24.14	–	–	<b>152.54</b>
<b>Net deferred tax assets/(liabilities)</b>	<b>97.85</b>	<b>31.48</b>	<b>3.80</b>	<b>–</b>	<b>133.12</b>

**(f) Movement in deferred tax asset/(liabilities)**

₹ in crore

	Net deferred tax asset/(liabilities) as on April 01, 2015	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Net deferred tax asset/(liabilities) as on March 31, 2016
<b>Deferred tax asset/(liabilities)</b>					
Property, plant and equipment	(239.91)	(27.78)	–	–	<b>(267.69)</b>
Unabsorbed losses	3.54	69.17	–	–	<b>72.71</b>
Unrealised profit on inventory	63.63	(14.85)	–	–	<b>48.78</b>
Employee benefits	20.63	0.13	(1.27)	–	<b>19.49</b>
Deferred income / expenses	84.51	(34.97)	–	–	<b>49.54</b>
Provision for doubtful debts	45.87	(1.54)	–	–	<b>44.33</b>
Other items	1.78	0.51	–	–	<b>2.29</b>
<b>Deferred tax assets/(liabilities)</b>	<b>(19.95)</b>	<b>(9.33)</b>	<b>(1.27)</b>	<b>–</b>	<b>(30.55)</b>
Minimum Alternate Tax (MAT) credit entitlement	126.51	1.89	–	–	<b>128.40</b>
<b>Net deferred tax assets/(liabilities)</b>	<b>106.56</b>	<b>(7.44)</b>	<b>(1.27)</b>	<b>–</b>	<b>97.85</b>

- The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relating to income taxes levied by the same tax authority.
- Aggregate carried forward tax losses for which no deferred tax has been created, with respect to the subsidiaries amounted to ₹ 775.77 crore as on March 31, 2017 and ₹ 622.42 crore as on March 31, 2016. These tax losses are available for set off against future taxable profits, without any limitation of the number of years for set off.
- Minimum Alternate Tax (MAT) credit balance as on March 31, 2017 amounts to ₹ 152.54 crores (March 31, 2016 : ₹ 128.40 crores, April 01, 2015 ₹ 126.51 crores). The Company is reasonably certain of availing the said MAT credit in future years against the normal tax expected to be paid in those years.
- Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.



- v) Given that the Company does not have any intention to dispose the land on an individual basis, hence deferred tax asset on the indexation benefit on land has not been recognised.
- vi) No deferred tax asset has been created on the loss that would get reversed during the tax holiday period amounting ₹ 121.78 crore (Previous year: ₹ 121.78 crore).
- vii) No deferred tax has been recognised in respect of temporary differences associated with investments in subsidiaries where the Company is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future. The aggregate amount of temporary differences associated with such investments in subsidiaries is represented by the contribution of those investments to the Company's retained earnings and amounted to ₹ 2,650.40 Cr (March 31, 2016 ₹ 2,941.55 Cr).

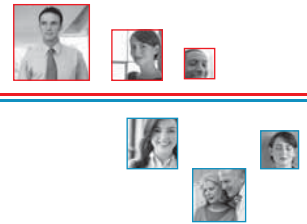
	As at March 31, 2017 ₹ in crore	As at March 31, 2017 USD in million	As at March 31, 2016 ₹ in crore	As at March 31, 2016 USD in million	As at April 01, 2015 ₹ in crore	As at April 01, 2015 USD in million
<b>9. OTHER NON-CURRENT ASSETS</b>						
Capital Advances	22.05	3.40	37.40	5.64	18.49	2.96
Security Deposits	14.33	2.21	15.57	2.35	14.57	2.33
Other advances	77.91	12.01	78.68	11.87	73.89	11.82
Includes advance rent with related parties ₹ 20.73 crore (March 31, 2016: ₹ 23.36 crore; April 01, 2015: ₹ 24.71 crore) - Refer note 38						
The above advances also include balances with government authorities amounting ₹ 53.62 crore (March 31, 2016: ₹ 52.26 crore; April 01, 2015: ₹ 45.13 crore)						
<b>TOTAL</b>	<b>114.29</b>	<b>17.62</b>	131.65	19.86	106.95	17.11

**Note:** The above amounts are net of provisions, if any

	As at March 31, 2017 ₹ in crore	As at March 31, 2017 USD in million	As at March 31, 2016 ₹ in crore	As at March 31, 2016 USD in million	As at April 01, 2015 ₹ in crore	As at April 01, 2015 USD in million
<b>10. INVENTORIES</b>						
Raw Materials and components	355.54	54.80	382.74	57.76	368.05	58.89
Goods-in transit	10.63	1.64	5.79	0.87	6.11	0.98
	<b>366.17</b>	<b>56.44</b>	388.53	58.63	374.16	59.87
Work-in-progress	77.14	11.89	89.26	13.47	69.99	11.20
Stock-in-trade	151.42	23.33	143.79	21.70	129.79	20.77
Finished goods	450.87	69.50	419.99	63.39	388.36	62.14
Stores and spares	62.35	9.61	60.29	9.10	57.92	9.27
Goods-in transit	-	-	0.30	0.05	0.56	0.09
	<b>62.35</b>	<b>9.61</b>	60.59	9.15	58.48	9.36
<b>TOTAL</b>	<b>1,107.95</b>	<b>170.77</b>	1,102.16	166.34	1,020.78	163.34

**Note:** Inventories are valued at cost or net realizable value, whichever is lower.





	As at March 31, 2017 ₹ in crore	As at March 31, 2017 USD in million	As at March 31, 2016 ₹ in crore	As at March 31, 2016 USD in million	As at April 01, 2015 ₹ in crore	As at April 01, 2015 USD in million
<b>11. CURRENT FINANCIAL ASSETS - INVESTMENT</b>						
<b>Investments carried at fair value through profit or loss</b>						
<b>Quoted</b>						
In Bonds	31.20	4.81	–	–	31.71	5.07
In Equity shares	332.94	51.32	–	–	210.36	33.66
In Bond Funds and Mutual Funds	198.13	30.54	–	–	129.13	20.66
<b>Total - Quoted</b>	<b>562.27</b>	<b>86.67</b>	–	–	371.20	59.39
<b>Aggregate book value of quoted investments</b>	<b>522.28</b>	<b>80.54</b>	–	–	338.72	54.20
	As at March 31, 2017 ₹ in crore	As at March 31, 2017 USD in million	As at March 31, 2016 ₹ in crore	As at March 31, 2016 USD in million	As at April 01, 2015 ₹ in crore	As at April 01, 2015 USD in million
<b>12. TRADE RECEIVABLES</b>						
Unsecured, considered good	1,116.64	172.12	1,200.47	181.18	741.43	118.63
Less: Allowance for credit loss	(82.19)	(12.67)	(89.05)	(13.44)	(89.05)	(14.25)
	<b>1,034.45</b>	<b>159.45</b>	1,111.42	167.74	652.38	104.38
Unsecured, considered doubtful	72.47	11.17	72.17	10.89	52.84	8.45
Less: Allowance for credit loss	(72.47)	(11.17)	(72.17)	(10.89)	(52.84)	(8.45)
	–	–	–	–	–	–
<b>TOTAL</b>	<b>1,034.45</b>	<b>159.45</b>	1,111.42	167.74	652.38	104.38
<b>Note:</b> Trade receivables include dues from private companies in which any director is a partner, director or a member is ₹ 4.81 crore (March 31, 2016 : ₹ Nil; April 01, 2015 ₹ Nil)						
	As at March 31, 2017 ₹ in crore	As at March 31, 2017 USD in million	As at March 31, 2016 ₹ in crore	As at March 31, 2016 USD in million	As at April 01, 2015 ₹ in crore	As at April 01, 2015 USD in million
<b>13. CASH AND BANK BALANCES</b>						
<b>Cash and cash equivalents</b>						
<b>Balances with banks</b>						
On current account	474.29	73.11	657.43	99.22	949.56	151.93
Deposits with maturity of less than 3 months	489.16	75.40	5.44	0.82	207.05	33.13
Unpaid dividend accounts	2.03	0.31	1.66	0.25	1.83	0.29
	<b>965.48</b>	<b>148.82</b>	664.53	100.29	1,158.44	185.35
Cash on hand	0.19	0.03	0.11	0.02	0.25	0.04
	<b>965.67</b>	<b>148.85</b>	664.64	100.31	1,158.69	185.39
<b>Other bank balances</b>						
Bank balances subject to restrictions (related to escrow arrangement against purchase of certain fixed assets.)	–	–	0.48	0.07	0.10	0.02



	As at March 31, 2017 ₹ in crore	As at March 31, 2017 USD in million	As at March 31, 2016 ₹ in crore	As at March 31, 2016 USD in million	As at April 01, 2015 ₹ in crore	As at April 01, 2015 USD in million
<b>Other bank balances</b>						
Deposit with original maturity of less than 3 months (₹ 7.30 crore related to escrow arrangement against purchase of certain fixed assets in earlier year)	-	-	7.30	1.10	-	-
Deposits with original maturity of more than 3 months but less than 12 months (under lien - March 31, 2017: ₹ 47.13 Crore; March 31, 2016 : ₹ Nil; April 01, 2015 : ₹ 10.75 crore; ₹ 10.73 crore relates to escrow arrangement against purchase of certain fixed assets as on April 01, 2015)	380.32	58.62	801.89	121.02	31.44	5.03
Deposits with original maturity equal to 12 months (under lien - March 31, 2017: ₹ Nil; March 31, 2016: ₹ 0.01 crore; April 01, 2015: ₹ 21.09 crore)	254.61	39.25	0.01	-	21.09	3.37
Deposits with original maturity of more than 12 months (under lien - March 31, 2017: ₹ 0.15 crore; March 31, 2016: ₹ 0.01 crore; April 01, 2015: ₹ 0.15 crore)	0.15	0.02	0.01	-	14.27	2.28
Margin money (under lien)	2.86	0.44	3.78	0.57	8.96	1.43
	637.94	98.33	813.47	122.76	75.86	12.13
<b>TOTAL</b>	<b>1,603.61</b>	<b>247.18</b>	<b>1,478.11</b>	<b>223.07</b>	<b>1,234.55</b>	<b>197.52</b>

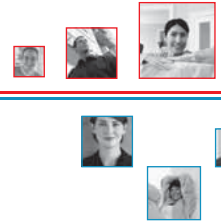
**Notes:**

a) Short-term deposits are made for varying periods of between one day and three months, depending on the cash requirements of the company, and earn interest at the respective short-term deposit rates.

**b) Disclosure for Specified Bank Notes (SBNs)**

	SBNs			Other denomination notes ₹ in crore	Total ₹ in crore
	Number of ₹ 1000 currency	Number of ₹ 500 currency	Total ₹ in crore		
Closing Balance as at November 8, 2016	337	2,238	0.15	0.07	0.22
Add: Withdrawal from bank accounts	-	-	-	0.39	0.39
Add: Permitted receipts	-	-	-	0.06	0.06
Add: Non-Permitted receipts	-	-	-	-	-
Less: Permitted payments	-	-	-	0.39	0.39
Less: Non-Permitted payments	-	-	-	-	-
Less: Deposited in bank accounts	337	2,238	0.15	0.01	0.16
Closing Balance as at December 30, 2016	-	-	-	0.12	0.12

	As at March 31, 2017 ₹ in crore	As at March 31, 2017 USD in million	As at March 31, 2016 ₹ in crore	As at March 31, 2016 USD in million	As at April 01, 2015 ₹ in crore	As at April 01, 2015 USD in million
<b>14. OTHER CURRENT FINANCIAL ASSETS- at amortised cost</b>						
Other receivables	29.24	4.51	20.31	3.07	4.66	0.75
<b>TOTAL</b>	<b>29.24</b>	<b>4.51</b>	<b>20.31</b>	<b>3.07</b>	<b>4.66</b>	<b>0.75</b>



	As at March 31, 2017 ₹ in crore	As at March 31, 2017 USD in million	As at March 31, 2016 ₹ in crore	As at March 31, 2016 USD in million	As at April 01, 2015 ₹ in crore	As at April 01, 2015 USD in million
<b>15. OTHER CURRENT ASSETS</b>						
Advances to suppliers (Refer note (ii) below)	39.99	6.16	41.96	6.33	45.35	7.26
Balances with statutory/government authorities	119.13	18.36	97.14	14.66	87.18	13.95
Other advances (Refer note (iii) below)	38.63	5.95	37.58	5.67	37.94	6.07
<b>TOTAL</b>	<b>197.75</b>	<b>30.47</b>	<b>176.68</b>	<b>26.66</b>	<b>170.47</b>	<b>27.28</b>

**Note:**

- The above amounts are net of provisions, if any
- Advances to suppliers include dues from private companies in which any director is a partner, director or a member is ₹ 0.53 crore (March 31, 2016 : ₹ Nil; April 01, 2015 ₹ Nil)
- Other advances includes amounts pertaining to related parties ₹ 2.63 crore (March 31, 2016: ₹ 2.63 crore; April 01, 2015: ₹ 2.06 crore) - Refer note 38.

	As at March 31, 2017			As at March 31, 2016			As at April 01, 2015		
	No. of Shares	₹ in crore	USD in million	No. of Shares	₹ in crore	USD in million	No. of Shares	₹ in crore	USD in million
<b>16. EQUITY SHARE CAPITAL</b>									
<b>AUTHORISED</b>									
Equity shares of ₹ 5/- each	250,000,000	125.00	19.27	250,000,000	125.00	18.87	250,000,000	125.00	20.00
<b>ISSUED, SUBSCRIBED AND PAID UP</b>									
Equity shares of ₹ 5/- each fully paid up									
Shares outstanding as at the beginning of the Year	110,508,903	55.25	8.52	110,072,903	55.04	8.31	109,751,153	54.88	8.78
Add: Shares Issued during the Year	39,125	0.02	-	436,000	0.21	0.03	321,750	0.16	0.03
Shares outstanding as at the end of the Year	110,548,028	55.27	8.52	110,508,903	55.25	8.34	110,072,903	55.04	8.81

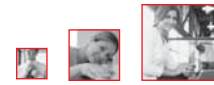
**Notes:**

- The Company has only one class of equity shares having a par value of ₹ 5/- per share. Each holder of equity shares is entitled to one vote per share held and is entitled to dividend, if declared at the Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- Shares reserved for issue under options:**  
Equity shares of 883,125 (March 31, 2016: 698,750; April 01, 2015 - 1,243,500) of face value ₹ 5 each have been reserved for issue under Wockhardt Stock Option Scheme -2011.
- Details of equity shares held by each shareholders holding more than 5% of total equity shares:**

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Themisto Trustee Company Private Limited which holds these shares in its capacity as the trustee of Habil Khorakiwala Trust which in turn holds these shares in its capacity as the partner of the partnership firm Humuza Consultants.	60,497,757	54.73	65,897,757	59.63	65,897,757	59.87

During the year, Themisto Trustee Company Private Limited (which holds these shares in its capacity as the trustee of Habil Khorakiwala Trust which in turn holds these shares in its capacity as the partner of the partnership firm Humuza Consultants) has sold 54 Lacs Equity Shares of face value ₹ 5/- each to Amalthea Discretionary Trust, Lysithea Discretionary Trust and HNZ Discretionary Trust whose Trustees are Ananke Trustee Company Private Limited, Callirhoe Trustee Company Private Limited and Pasithee Trustee Company Private Limited respectively.

Themisto Trustee Company Private Limited in its capacity as a trustee of Habil Khorakiwala Trust has also acquired 54 lacs Equity Shares of face value ₹ 5/- each from Ananke Trustee Company Private Limited (who were holding these shares in its capacity as the trustee of Amalthea Discretionary Trust which in turn holds these shares in its capacity as partner of partnership firm Amalthea



Consultants), Callirhoe Trustee Company Private Limited (who were holding these shares in its capacity as the trustee of Lysithea Discretionary Trust which in turn holds these shares in its capacity as partner of partnership firm Lysithea Consultants) and Pasithee Trustee Company Private Limited (who were holding these shares in its capacity as the trustee of HNZ Discretionary Trust which in turn holds these shares in its capacity as partner of partnership firm HNZ Consultants).

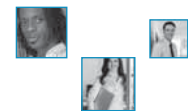
All these Partnership Firms and Discretionary Trusts are part of Promoter Group.

- d) The Board of Directors of the Company at their meeting held on November 10, 2016 have declared interim dividend of 200% i.e ₹ 10 per share on equity shares of ₹ 5/- each, absorbing ₹ 110.55 crore. The Board recommends the said interim dividend of 200% as final dividend for the financial year 2016-17.

	As at March 31, 2017 ₹ in crore	As at March 31, 2017 USD in million	As at March 31, 2016 ₹ in crore	As at March 31, 2016 USD in million	As at April 01, 2015 ₹ in crore	As at April 01, 2015 USD in million
<b>17. NON-CURRENT FINANCIAL LIABILITIES- BORROWINGS</b>						
<b>SECURED</b>						
<b>Term Loans</b>						
from banks / financial institutions (Refer Note I to V below)	2,887.11	445.03	1,647.02	248.57	1,179.61	188.74
from others (Refer Note VI below)	-	-	0.32	0.05	0.64	0.10
	<b>2,887.11</b>	<b>445.03</b>	<b>1,647.34</b>	<b>248.62</b>	<b>1,180.25</b>	<b>188.84</b>
<b>UNSECURED</b>						
<b>Deferred payment liabilities</b>						
Sales tax deferral loan (Refer note VII below)	0.24	0.04	0.67	0.10	1.29	0.21
Loans from Others (Refer note VIII below)	2.07	0.32	2.69	0.41	3.30	0.53
Preference share (Refer note X below)	300.85	46.37	269.90	40.73	242.15	38.74
	<b>303.16</b>	<b>46.73</b>	<b>273.26</b>	<b>41.24</b>	<b>246.74</b>	<b>39.48</b>
<b>TOTAL</b>	<b>3,190.27</b>	<b>491.76</b>	<b>1,920.60</b>	<b>289.86</b>	<b>1,426.99</b>	<b>228.32</b>

**Notes:**

- I) Term loan of USD 100 million (March 31, 2016: USD 100 million; April 01, 2015: USD 90 million) amounting to ₹ 648.75 crore (March 31, 2016: ₹ 662.60 crore; April 01, 2015: ₹ 562.50 crore) is secured by first charge on pari passu basis on fixed assets, present and future, located at all locations other than Units at Baddi in Himachal Pradesh and Kadaiya in Daman. This term loan carries interest rate of 6 months USD LIBOR plus 325 BPS p.a. and is repayable in 20 equal quarterly installments commencing from April 01, 2017.
- Term loan of ₹ 250 crore (March 31, 2016: ₹ 250 crore; April 01, 2015: ₹ Nil) from IDBI Bank is secured by first charge on pari passu basis on fixed assets, present and future, located at all locations other than Units at Baddi in Himachal Pradesh and Kadaiya in Daman. This term loan carries interest rate at Bank Base Rate plus 75 BPS p.a. and is repayable in 10 equal half yearly instalments commencing from December 31, 2017.
- Further, term loan of ₹ 250 Crore (March 31, 2016: ₹ 250 crore; April 01, 2015: ₹ Nil) from Bank of Maharashtra ('BOM') is secured by first charge on pari passu basis on fixed assets, present and future, located at all locations other than Units at Baddi in Himachal Pradesh and Kadaiya in Daman. This term loan carries interest rate at Bank Base Rate plus 25 BPS p.a. and is repayable in 20 equal quarterly instalments commencing from March 31, 2018.
- II) Term loan availed by Wockhardt France (Holdings) S.A.S. of Euro 54.60 million (March 31, 2016: Euro 68.20 million; April 01, 2015: Euro 80.94 million) amounting to ₹ 378.44 crore (March 31, 2016: ₹ 514.79 crore; April 01, 2015: ₹ 543.34 crore) is secured by pledge of shares of Negma Group of companies. The loan carries interest of 6 months EURO LIBOR plus 175 BPS p.a. and is repayable in 8 half yearly instalments by November 2020.
- III) Term loan availed by Wockpharma Ireland Limited of Euro 10 million (March 31, 2016: Euro 15 million; April 01, 2015: Euro 15 million) amounting to ₹ 69.31 crore (March 31, 2016: ₹ 113.22 crore; April 01, 2015: ₹ 100.69 crore) is secured by pledge of shares of Pinewood Laboratories Limited, all movable and immovable properties of Wockpharma Ireland Limited and Pinewood Laboratories Limited situated at Unit at M50, Business Park, Ballymount, Dublin 12 and Deerpark, Ballymacarbry, Co. Waterford by way of first fixed charge and floating charge.
- Further, this term loan is also secured by fixed and floating charges on all other assets of Wockpharma Ireland Limited & Pinewood Laboratories Limited.
- The loan carries an interest of 3 months EURIBOR plus 325 BPS p.a. and is repayable in 4 half yearly instalments by January 2019.
- IV) Term loan availed by Wockhardt Bio AG of USD Nil (March 31, 2016: USD 9.38 million; April 01, 2015: USD 71.88 million) amounting to ₹ Nil (March 31, 2016: ₹ 62.12 crore; April 01, 2015: ₹ 449.22 crore) was secured as under:
- (i) first ranking pari passu charge on immovable properties of Wockhardt Limited situated at Kadaiya in Daman and Baddi in Himachal Pradesh.



- (ii) second ranking pari passu charge by way of hypothecation on all the current assets, movables, inventories and book debts of Wockhardt Limited.

Further, out of loan of ₹ Nil (March 31, 2016- ₹ 62.12 crore, April 01, 2015 - ₹ 449.22 crore), security has been created in respect of term loan of USD Nil (March 31, 2016- USD 3.79 million, April 01, 2015- USD 29.04 million) amounting to ₹ Nil (March 31, 2016- ₹ 25.10 crore, April 01, 2015 - ₹ 181.48 crore), in addition to aforesaid security, as follows :

- (i) subservient charge on movable properties of Wockhardt Limited situated at Bhimpore in Daman, Ankleshwar, L-1, D-4, Chikhalthana and Biotech Park, Waluj in Aurangabad (except book debts and current assets)
- (ii) subservient charge on movable properties of Wockhardt Infrastructure Development Limited situated at Shendra in Aurangabad (WIDL).

The loan carries an interest of 3 months USD LIBOR plus 215 BPS p.a and the above loan was fully repaid during the year.

- V) Term Loan availed by Wockhardt Bio AG of USD 250 million (March 31, 2016: USD Nil; April 01, 2015: USD Nil) amounting to ₹ 1621.88 crore (March 31, 2016: ₹ Nil; April 01, 2015: ₹ Nil) is secured as under:

- (i) first ranking charge on fixed assets (excluding Intangible assets) and current assets of Wockhardt Bio AG and its subsidiaries (except Wockpharma Ireland Ltd. and its Subsidiaries and Wockhardt France (Holdings) S.A.S. and its Subsidiaries)
- (ii) first ranking charge on fixed assets of Wockhardt Limited situated at Kadaiya in Daman and Baddi in Himachal Pradesh & on Fixed Deposits of ₹ 45 crores in India.
- (iii) this term loan is also secured by Corporate Guarantee of USD 300 million from Wockhardt Limited.

This term loan carrying interest rate of 6 months USD LIBOR plus 275 BPS p.a. and is repayable in 8 equal half yearly installments commencing from July 01, 2018.

- VI) Term loan from others is secured by first charge on pari passu basis by hypothecation of movable properties of the company (except book debts) at all locations. This term loan from others with interest rate of 2% p.a. is repayable in 10 equal half yearly installments having commenced from September 2013.
- VII) Interest free sales tax deferral loan is repayable in the month of May every year. This loan is repayable by May 2019.
- VIII) Loans from others with interest rate of 3% p.a. is repayable in 10 equal annual installments. Loan amounting ₹ 0.57 crore (March 31, 2016: ₹ 0.76 crore; April 01, 2015 : ₹ 0.95 crore) is repayable by June 2019 and the balance ₹ 2.12 crore (March 31, 2016: ₹ 2.54 crore; April 01, 2015: ₹ 2.97 crore) by October 2021.
- IX) Refer Note 10 to Note 14 for carrying amount of current assets on which charge has been created.

X) **Preference share**

a) **Details of preference share :**

	As at March 31, 2017			As at March 31, 2016			As at April 01, 2015		
	No. of Shares	₹ in crore	USD in million	No. of Shares	₹ in crore	USD in million	No. of Shares	₹ in crore	USD in million
<b>Authorised</b>									
Preference shares of ₹ 5/- each	2,000,000,000	1,000.00	154.14	2,000,000,000	1,000.00	150.92	2,000,000,000	1,000.00	160.00
<b>Issued, Subscribed &amp; Paid up</b>									
Optionally Convertible Cumulative Redeemable Preference shares (OCCRPS) of ₹ 5/- each fully paid up :									
Shares outstanding as at the beginning of the Year	121,454,927	60.72	9.36	121,454,927	60.72	9.16	121,454,927	60.72	9.72
Add: Shares Issued during the Year	-	-	-	-	-	-	-	-	-
Less: Shares redeemed during the year	-	-	-	-	-	-	-	-	-
Shares outstanding as at the end of the Year	121,454,927	60.72	9.36	121,454,927	60.72	9.16	121,454,927	60.72	9.72
Non Convertible Cumulative Redeemable Preference shares (NCRPS) of ₹ 5/- each fully paid up:									
Shares outstanding as at the beginning of the Year	475,659,941	237.83	36.66	475,659,941	237.83	35.89	475,659,941	237.83	38.05
Add: Shares Issued during the Year	-	-	-	-	-	-	-	-	-
Less: Shares redeemed during the year	-	-	-	-	-	-	-	-	-
Shares outstanding as at the end of the Year	475,659,941	237.83	36.66	475,659,941	237.83	35.89	475,659,941	237.83	38.05



Subject to the approval of shareholders at the Annual General Meeting, Board of Directors have recommended dividend of 0.01% (at the rate of ₹ 0.0005 per share of ₹ 5/- each) on 475,659,941 NCRPS of ₹ 5/- each and 121,454,927 OCCRPS of ₹ 5/- each.

**b) Issue of Preference Shares as per Corporate Debt Restructuring (CDR) Scheme:**

Pursuant to approved CDR package against various liabilities, the Company has issued preference shares of ₹ 5/- each to Banks/Financial Institutions on the following terms and conditions:

- i) 121,454,927 (March 31, 2016: 121,454,927; April 01, 2015: 121,454,927) 0.01% Optionally Convertible Cumulative Redeemable Preference shares (OCCRPS Series 2) issued bilaterally to various Banks, on the following terms and conditions:

The Preference Share holders shall have the right to convert OCCRPS Series 2 along with accumulated dividend, into fully paid equity shares of the Company, in one or more tranches, commencing July 4, 2016 till December 31, 2018, at conversion price as per the applicable SEBI formula on the relevant date i.e June 04, 2016. The said shares, in case not converted, shall get redeemed along with accumulated dividend on December 31, 2018 without any redemption premium. No shareholders have exercised the right of conversion till date.

- ii) 32,265,110 (March 31, 2016 : 32,265,110; April 01, 2015 : 32,265,110) 0.01% Non - Convertible Cumulative Redeemable Preference shares (NCRPS Series 2), redeemable at a premium of 20% of the face value along with cumulative dividend on December 31, 2018.
- iii) 283,394,831 (March 31, 2016: 283,394,831; April 01, 2015: 283,394,831) 0.01% Non - Convertible Cumulative Redeemable Preference shares (NCRPS Series 3) issued bilaterally to various Banks, redeemable at a redemption premium calculated at 4% p.a. on simple basis along with cumulative dividend on December 31, 2018.
- iv) 160,000,000 (March 31, 2016: 160,000,000; April 01, 2015: 160,000,000) 0.01% Non - Convertible Cumulative Redeemable Preference shares (NCRPS Series 5), redeemable at a premium of 20% of the face value along with cumulative dividend on March 31, 2019.

- c) Effective interest rate for preference shares is in the range of 10.8% - 12%.

**d) Details of NCRPS held by each shareholders holding more than 5% of total NCRPS:**

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Khorakiwala Holdings and Investments Private Limited	203,233,260	42.73	203,233,260	42.73	160,000,000	33.64
Indian Overseas Bank	104,563,437	21.98	104,563,437	21.98	104,563,437	21.98
Union Bank of India	74,397,151	15.64	74,397,151	15.64	74,397,151	15.64
Corporation Bank	50,929,498	10.71	50,929,498	10.71	50,929,498	10.71
HDFC Bank Limited	-	-	-	-	43,233,260	9.09
Punjab National Bank	29,778,521	6.26	29,778,521	6.26	29,778,521	6.26

**e) Details of OCCRPS held by each shareholders holding more than 5% of total OCCRPS:**

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Indian Overseas Bank	39,888,348	32.84	39,888,348	32.84	39,888,348	32.84
Union Bank of India	31,884,492	26.25	31,884,492	26.25	31,884,492	26.25
Corporation Bank	21,826,928	17.97	21,826,928	17.97	21,826,928	17.97
HDFC Bank Limited	-	-	-	-	18,528,540	15.26
Khorakiwala Holdings and Investments Private Limited	18,528,540	15.26	18,528,540	15.26	-	-
Punjab National Bank	9,326,619	7.68	9,326,619	7.68	9,326,619	7.68



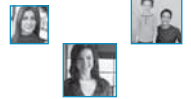


	As at March 31, 2017 ₹ in crore	As at March 31, 2017 USD in million	As at March 31, 2016 ₹ in crore	As at March 31, 2016 USD in million	As at April 01, 2015 ₹ in crore	As at April 01, 2015 USD in million
<b>18. PROVISIONS (Non-current)</b>						
<b>Provision for employee benefits</b> (Refer note 33)						
Leave encashment (unfunded)	23.73	3.66	19.81	2.99	16.61	2.66
Gratuity (unfunded)	22.40	3.45	18.77	2.83	16.87	2.70
Provision for pension/other benefits	48.10	7.41	32.16	4.85	40.27	6.44
	<b>94.23</b>	<b>14.52</b>	70.74	10.67	73.75	11.80
<b>Other provisions</b>						
Provision for other expenses	-	-	-	-	0.62	0.10
	-	-	-	-	0.62	0.10
<b>TOTAL</b>	<b>94.23</b>	<b>14.52</b>	70.74	10.67	74.37	11.90

	As at March 31, 2017 ₹ in crore	As at March 31, 2017 USD in million	As at March 31, 2016 ₹ in crore	As at March 31, 2016 USD in million	As at April 01, 2015 ₹ in crore	As at April 01, 2015 USD in million
<b>19. CURRENT FINANCIAL LIABILITIES - BORROWINGS</b>						
<b>SECURED</b>						
<b>Loans repayable on demand</b>						
Working capital facilities from banks (Refer Note I below)	486.62	75.01	414.32	62.56	181.08	28.97
<b>Other Loans</b>						
I) Buyers' credit (Refer Note II below)	173.94	26.81	135.71	20.48	89.09	14.25
II) From other parties (Refer Note III below)	-	-	-	-	78.11	12.50
<b>TOTAL</b>	<b>660.56</b>	<b>101.82</b>	550.03	83.04	348.28	55.72

**Notes:**

- I) Working capital facilities from banks are secured by way of :
  - i) First charge on pari passu basis on present and future stock of raw materials, consumables, spares, semi-finished goods, finished goods, book debts and other current assets.
  - ii) Second charge on pari passu basis by way of mortgage of immovable properties and hypothecation of movable assets, both present and future, located at all locations (other than Units at Baddi in Himachal Pradesh and Kadaiya in Daman).  
Refer Note 10 to Note 14 for carrying amount of current assets on which charge has been created.
- II) Buyers' credit availed from Yes Bank, ICICI Bank and IDBI Bank are secured by way of first pari passu charge on the entire current assets and second pari passu charge on all fixed assets located at all locations other than Units at Baddi in Himachal Pradesh and Kadaiya in Daman. Buyers' credit availed from State Bank of India (SBI) & ICICI Bank during 2014-15 has been fully repaid during 2015-16. Buyers' credit availed from SBI were secured by way of first charge on the specific assets and by way of second charge on the entire current assets and second subservient charges on all fixed assets, present and future, located at all locations other than Units at Baddi in Himachal Pradesh and Kadaiya in Daman. Refer Note 10 to Note 14 for carrying amount of current assets on which charge has been created.
- III) Loan from other parties includes loan availed by Wockhardt Bio AG of CHF Nil (March 31, 2016: CHF Nil; April 01, 2015: CHF 12 million) amounting to ₹ Nil (March 31, 2016: ₹ Nil; April 01, 2015: ₹ 78.11 crore) was secured against the investment portfolio of Wockhardt Bio AG.



	As at March 31, 2017 ₹ in crore	As at March 31, 2017 USD in million	As at March 31, 2016 ₹ in crore	As at March 31, 2016 USD in million	As at April 01, 2015 ₹ in crore	As at April 01, 2015 USD in million
<b>20. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES</b>						
Trade payables						
Total outstanding dues of micro enterprises and small enterprises	17.21	2.65	18.28	2.76	23.90	3.82
Others	516.60	79.63	619.41	93.48	528.66	84.59
<b>TOTAL</b>	<b>533.81</b>	<b>82.28</b>	<b>637.69</b>	<b>96.24</b>	<b>552.56</b>	<b>88.41</b>
<b>Note:</b>						
<b>DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS PER MSMED ACT, 2006:</b>						
a) Principal amount due to suppliers under MSMED Act, 2006	17.21	2.65	18.28	2.76	23.90	3.82
b) Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	0.35	0.05	0.50	0.08	0.46	0.07
c) Payment made to suppliers (other than interest) beyond the appointed day during the year	99.36	15.32	84.56	12.76	50.72	8.12
d) Interest paid to suppliers under MSMED Act (Section 16)	-	-	-	-	-	-
e) Interest due and payable towards suppliers under MSMED Act for payments already made	5.76	0.89	4.13	0.62	2.45	0.39
f) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (including interest mentioned in (e) above)	6.11	0.94	4.63	0.70	2.91	0.47

The above information is given to the extent available with the Company and relied upon by the auditor.

	As at March 31, 2017 ₹ in crore	As at March 31, 2017 USD in million	As at March 31, 2016 ₹ in crore	As at March 31, 2016 USD in million	As at April 01, 2015 ₹ in crore	As at April 01, 2015 USD in million
<b>21. CURRENT - OTHER FINANCIAL LIABILITIES</b>						
<b>Other financial liabilities carried at amortised cost</b>						
Current maturities of long-term debt (Refer note 17)	296.51	45.70	205.97	31.09	476.95	76.31
Interest accrued	12.41	1.91	13.29	2.01	1.19	0.19
Unpaid dividends	2.03	0.31	1.66	0.25	1.83	0.29
Security Deposit	17.38	2.68	17.26	2.60	16.57	2.65
Employee liabilities	71.59	11.04	54.10	8.16	57.12	9.14
Payable for capital goods	34.48	5.31	35.51	5.36	33.04	5.29
Others	220.64	34.00	258.24	38.93	230.10	36.83
<b>TOTAL</b>	<b>655.04</b>	<b>100.95</b>	<b>586.03</b>	<b>88.40</b>	<b>816.80</b>	<b>130.70</b>

	As at March 31, 2017 ₹ in crore	As at March 31, 2017 USD in million	As at March 31, 2016 ₹ in crore	As at March 31, 2016 USD in million	As at April 01, 2015 ₹ in crore	As at April 01, 2015 USD in million
<b>22. OTHER CURRENT LIABILITIES</b>						
Payable for Statutory dues	18.60	2.87	23.81	3.59	16.82	2.69
Advance received from Customers	18.73	2.89	11.39	1.72	13.08	2.09
<b>TOTAL</b>	<b>37.33</b>	<b>5.76</b>	<b>35.20</b>	<b>5.31</b>	<b>29.90</b>	<b>4.78</b>



	As at March 31, 2017 ₹ in crore	As at March 31, 2017 USD in million	As at March 31, 2016 ₹ in crore	As at March 31, 2016 USD in million	As at April 01, 2015 ₹ in crore	As at April 01, 2015 USD in million
<b>23. CURRENT PROVISIONS</b>						
<b>Provision for employee benefits</b>						
Leave Encashment (unfunded)	11.65	1.80	11.15	1.68	9.01	1.44
Gratuity (unfunded) / Pension and other benefits (Refer note 33)	12.61	1.94	10.03	1.51	6.71	1.07
	<b>24.26</b>	<b>3.74</b>	21.18	3.19	15.72	2.51
<b>Other provisions</b>						
Provision for sales return on date expiry [Refer note below]	14.82	2.28	11.72	1.77	10.94	1.75
Provision for other expenses	-	-	-	-	1.00	0.16
	<b>14.82</b>	<b>2.28</b>	11.72	1.77	11.94	1.91
<b>TOTAL</b>	<b>39.08</b>	<b>6.02</b>	32.90	4.96	27.66	4.42
<b>Note:</b>						
<b>Movement of Provision for sales return on date expiry:</b>						
Opening Balance	11.72	1.81	10.94	1.65	10.15	1.62
Recognised during the year	19.03	2.93	11.04	1.67	11.12	1.78
Utilised during the year	(15.93)	(2.46)	(10.26)	(1.55)	(10.33)	(1.65)
<b>Closing Balance</b>	<b>14.82</b>	<b>2.28</b>	11.72	1.77	10.94	1.75

Provision has been recognised for expected sales return on date expiry of products sold during two years.

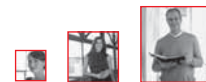
	For the year ended March 31, 2017 ₹ in crore	For the year ended March 31, 2017 USD in million	For the year ended March 31, 2016 ₹ in crore	For the year ended March 31, 2016 USD in million
<b>24. REVENUE FROM OPERATIONS</b>				
Sale of products (including excise duty)	3,986.79	614.53	4,451.69	671.85
Sale of services	1.00	0.15	1.53	0.23
Other operating revenues	26.82	4.13	-	-
<b>TOTAL</b>	<b>4,014.61</b>	<b>618.81</b>	4,453.22	672.08

	For the year ended March 31, 2017 ₹ in crore	For the year ended March 31, 2017 USD in million	For the year ended March 31, 2016 ₹ in crore	For the year ended March 31, 2016 USD in million
<b>25. OTHER INCOME</b>				
Profit/(Loss) on sale of Investment including Mark to market on current investment	40.54	6.25	(0.23)	(0.03)
Interest Income	63.35	9.76	46.27	6.98
Other non-operating income (Refer note below)	10.36	1.59	20.06	3.03
<b>TOTAL</b>	<b>114.25</b>	<b>17.60</b>	66.10	9.98

**Note:**

Other non-operating income includes :

Liabilities no more payable of ₹ 4.38 crore (Previous Year: ₹ 6.82 crore)



	For the year ended March 31, 2017 ₹ in crore	For the year ended March 31, 2017 USD in million	For the year ended March 31, 2016 ₹ in crore	For the year ended March 31, 2016 USD in million
<b>26. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>				
<b>Opening Inventories</b>				
Finished goods	419.99	64.74	388.80	58.68
Stock-in-trade	143.79	22.16	129.79	19.59
Work in progress	89.26	13.76	69.99	10.56
Less: Excise duty on opening stock	(3.83)	(0.59)	(2.19)	(0.33)
	<b>649.21</b>	<b>100.07</b>	<b>586.39</b>	<b>88.50</b>
Less: Inventory write off	-	-	(1.59)	(0.24)
<b>Closing Inventories</b>				
Finished goods	(450.87)	(69.50)	(419.99)	(63.39)
Stock-in-trade	(151.42)	(23.34)	(143.79)	(21.70)
Work in progress	(77.14)	(11.89)	(89.26)	(13.47)
Less: Excise duty on closing stock	4.35	0.67	3.83	0.58
	<b>(675.08)</b>	<b>(104.06)</b>	<b>(649.21)</b>	<b>(97.98)</b>
	<b>(25.87)</b>	<b>(3.99)</b>	<b>(64.41)</b>	<b>(9.72)</b>

	For the year ended March 31, 2017 ₹ in crore	For the year ended March 31, 2017 USD in million	For the year ended March 31, 2016 ₹ in crore	For the year ended March 31, 2016 USD in million
<b>27. EMPLOYEE BENEFITS EXPENSE</b>				
Salaries and wages (Refer Note 33)	794.19	122.42	775.72	117.06
Contribution to provident and other funds (Refer Note 33)	68.92	10.62	73.39	11.08
Share based payments to employees (Refer Note 41)	10.97	1.69	7.20	1.09
Staff welfare expenses	92.43	14.25	94.46	14.26
<b>TOTAL</b>	<b>966.51</b>	<b>148.98</b>	<b>950.77</b>	<b>143.49</b>

	For the year ended March 31, 2017 ₹ in crore	For the year ended March 31, 2017 USD in million	For the year ended March 31, 2016 ₹ in crore	For the year ended March 31, 2016 USD in million
<b>28. FINANCE COSTS</b>				
Interest expense				
on term loans	139.45	21.50	68.17	10.28
others	89.28	13.76	50.86	7.68
	<b>228.73</b>	<b>35.26</b>	<b>119.03</b>	<b>17.96</b>
Other borrowing costs	3.81	0.59	2.14	0.32
Net Loss on foreign currency transactions and translation	3.02	0.47	8.39	1.27
	<b>235.56</b>	<b>36.32</b>	<b>129.56</b>	<b>19.55</b>
Less: Borrowing cost capitalised*	(10.29)	(1.60)	(0.60)	(0.09)
* weighted average capitalisation rate - 4.65% (Previous year - 8.91%)				
<b>TOTAL</b>	<b>225.27</b>	<b>34.72</b>	<b>128.96</b>	<b>19.46</b>



	For the year ended March 31, 2017 ₹ in crore	For the year ended March 31, 2017 USD in million	For the year ended March 31, 2016 ₹ in crore	For the year ended March 31, 2016 USD in million
<b>29. OTHER EXPENSES</b>				
Travelling and conveyance	100.19	15.44	98.27	14.83
Freight and forwarding	96.91	14.94	95.42	14.40
Sales promotion & other selling cost	77.08	11.88	106.71	16.10
Commission on sales	31.31	4.83	38.98	5.88
Power and fuel	110.10	16.97	113.99	17.20
Rent (Refer Note 31)	83.91	12.93	84.63	12.77
Rates and taxes	16.45	2.54	16.15	2.44
Repairs and maintenance				
– to Buildings	10.91	1.68	16.01	2.42
– to Plant and machinery	36.01	5.55	36.47	5.50
– to Others	30.98	4.78	28.30	4.27
Stores and spare parts consumed	63.77	9.83	67.11	10.13
Insurance	25.61	3.95	24.81	3.74
Manufacturing expenses	34.90	5.38	34.18	5.16
Legal and Professional charges	277.54	42.78	181.28	27.36
Product development expenses	6.99	1.08	13.89	2.10
Directors' sitting fees	0.73	0.11	0.71	0.11
Material for test batches	10.27	1.58	24.07	3.63
Chemicals	27.46	4.24	32.11	4.85
Miscellaneous expenses	318.69	49.11	366.23	55.28
<b>TOTAL</b>	<b>1,359.81</b>	<b>209.60</b>	<b>1,379.32</b>	<b>208.17</b>

	For the year ended March 31, 2017		For the year ended March 31, 2016	
	₹ in crore	USD in million	₹ in crore	USD in million
<b>30. EXPENDITURE ON RESEARCH AND DEVELOPMENT</b>				
<b>Capital*</b>	174.30	26.87	170.77	25.77
<b>Revenue</b>	397.13	61.21	497.76	75.12
	<b>571.43</b>	<b>88.08</b>	<b>668.53</b>	<b>100.89</b>

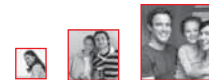
\* Including Intangible Assets under Development

### 31 LEASES

#### a) Operating Lease

The Company has taken office premises on operating lease which are cancellable.

These lease and license agreements for the office premises are generally for a period not exceeding five years and are in most cases renewable by mutual consent, on mutually agreeable terms. There are no restrictions imposed by lease arrangements or any contingent rents payable. There are no subleases.



- b) The Group has taken certain office premises, motor vehicles and plant and machinery on operating lease. There are no restrictions imposed by lease arrangements. There are no subleases.

	For the year ended March 31, 2017		For the year ended March 31, 2016	
	₹ in crore	USD in million	₹ in crore	USD in million
<b>Annual commitments for lease payments under non-cancellable operating leases for certain office premises, motor vehicles and plant and machinery:</b>				
Less than 1 year	13.96	2.15	8.42	1.27
More than 1 year but less than 5 years	29.60	4.56	13.95	2.11
More than 5 years	–	–	–	–
	<b>43.56</b>	<b>6.71</b>	22.37	3.38

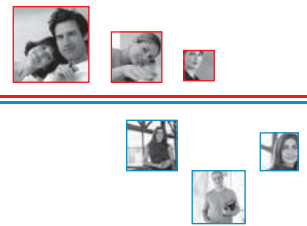
- c) **Finance lease:**

The Group has entered into finance lease for land. These leases are generally for a period ranging 95 years to 99 years. These leases can be extended for further 95 years to 99 years. The Group has sub-leased certain portion of the land. Except for the initial payment, there are no material annual payments for the aforesaid leases. Refer Note 4 for carrying value.

	For the year ended March 31, 2017		For the year ended March 31, 2016	
	₹ in crore	USD in million	₹ in crore	USD in million
<b>32. EARNINGS PER SHARE</b>				
The calculations of Earnings per share (EPS) (basic and diluted) are based on the earnings and number of shares as computed below:				
<b>Reconciliation of earnings</b>				
Profit / (loss) attributable to equity holders of the Company	(195.72)	(30.19)	250.72	37.83
Net Profit / (loss) for calculation of basic / diluted EPS	(195.72)	(30.19)	250.72	37.83
	<b>No. of Shares</b>		<b>No. of Shares</b>	
<b>Reconciliation of number of shares</b>				
Weighted average number of shares in calculating Basic EPS	110,535,379		110,388,022	
<i>Add:</i>				
Weighted average number of shares under ESOS	859,529		798,365	
Weighted average number of shares under Optionally Convertible Cumulative Redeemable Preference shares (OCCRPS)	403,962		–	
Weighted average number of equity shares in calculating diluted EPS	111,798,870		111,186,387	
<b>Earnings per share (face value ₹ 5/- each)</b>				
Earnings per share - Basic in Rupees / USD	(17.71)	(0.27)	22.71	0.34
Earnings per share - Diluted in Rupees / USD	(17.71)	(0.27)	22.55	0.34

The holders of Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) have the option of converting the aforesaid shares into fully paid equity shares of the Company, in one or more tranches, commencing July 4, 2016 till December 31, 2018, at conversion price as per the applicable SEBI formula on the relevant date i.e June 04, 2016. The said shares, in case not converted, shall get redeemed along with accumulated dividend on December 31, 2018 without any redemption premium. No shareholders have exercised the right of conversion till date. However the same has been considered for calculation of diluted EPS.





### 33. EMPLOYEE BENEFITS

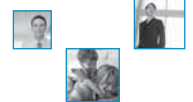
#### (I) Disclosure in respect of Wockhardt Limited

Gratuity liability is provided in accordance with the provisions of the Payment of Gratuity Act, 1972 based on actuarial valuation. The plan provides a lump sum gratuity payment to eligible employee at retirement or termination of their employment. The amounts are based on the respective employee's last drawn salary and the years of employment with the Company.

The most recent actuarial valuation of the defined benefit obligation was carried out at the balance sheet date. The present value of the defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation as at balance sheet date:

	For the year ended March 31, 2017	For the year ended March 31, 2016
	Gratuity (Non-funded) ₹ in crore	Gratuity (Non-funded) ₹ in crore
<b>(A) Defined benefit plans -</b>		
<b>I Expenses recognised in profit or loss:</b>		
1 Current Service Cost	2.79	2.21
2 Interest cost	2.00	1.87
<b>Total Expenses</b>	<b>4.79</b>	4.08
<b>II Expenses recognised in Other Comprehensive Income</b>		
1 Actuarial changes arising from changes in demographic assumptions	0.20	-
2 Actuarial changes arising from changes in financial assumptions	0.62	(0.84)
3 Actuarial changes arising from changes in experience adjustments	1.58	1.65
<b>Total Expenses</b>	<b>2.40</b>	0.81
<b>III Net Asset /(Liability) recognised as at balance sheet date:</b>		
1 Present value of defined benefit obligation	31.19	26.79
2 Net Asset /(Liability)	(31.19)	(26.79)
<b>IV Reconciliation of Net Asset / (Liability) recognised as at balance sheet date:</b>		
1 Net Asset /(Liability) at the beginning of year	(26.79)	(23.54)
2 Expense as per (I) & (II) above	(7.19)	(4.89)
3 Benefit paid	2.79	1.64
4 Net asset / (liability) at the end of the year	(31.19)	(26.79)
<b>V Maturity profile of defined benefit obligation</b>		
1 Within the next 12 months (next annual reporting period)	8.79	8.06
2 Between 2 and 5 years	18.30	16.36
3 Between 6 and 10 years	8.12	6.45
<b>VI Quantitative sensitivity analysis for significant assumptions is as below:</b>		
1 Increase/(decrease) on present value of defined benefit obligation at the end of the year		
(i) One percent point increase in discount rate	(0.76)	(0.58)
(ii) One percent point decrease in discount rate	0.81	0.62
(iii) One percent point increase in rate of salary increase	0.72	0.56
(iv) One percent point decrease in rate of salary increase	(0.70)	(0.54)
(v) One percent point increase in attrition rate	(0.13)	(0.10)
(vi) One percent point decrease in attrition rate	0.14	0.10
2 <b>Sensitivity analysis method</b>		
Sensitivity analysis is determined based on the expected movement in liability if the assumptions were not proved to be true on different count.		
<b>VII Expected contributions to the plan for the next annual reporting period.</b>	<b>5.37</b>	4.79



	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>VIII Actuarial Assumptions:</b>			
1 Discount rate	6.67%	7.48%	7.93%
2 Expected rate of salary increase	8.00%	8.00%	10.00%
3 Attrition rate	26.00%	28.00%	28.00%
4 Mortality	<b>Indian Assured Lives Mortality (2006-08) Ultimate</b>	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

**Notes:**

- a) Amount recognised as an expense in the Statement of Profit and Loss and included in Note 27 under "Salaries and wages": Gratuity ₹ 4.79 Crore (Previous year - ₹ 3.91 crore) and Leave encashment ₹ 15.46 crore (Previous year - ₹ 12.55 crore)
- b) The estimates of future salary increases considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- c) The plan above is typically exposed to actuarial risk such as interest risk, mortality risk and salary risk
  - a) Interest risk: The decrease in the bond interest rate will increase the liability.
  - b) Mortality risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
  - c) Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**(B) Defined contribution plan -**

The Company makes contributions towards provident fund and superannuation fund which are in the nature of defined contribution post employment benefit plans. Under the plan, the Company is required to contribute a specified percentage of payroll cost to fund the benefits.

Amount recognised as an expense in the Statement of Profit and Loss - included in Note 27 - "Contribution to provident and other funds" ₹ 20.57 crore (Previous Year - ₹ 18.87 crore).

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

**(II) Defined contribution plans (In respect of CP Pharmaceuticals Limited, Wockhardt UK Limited and Consolidated Wockpharma Ireland Limited)**

During the year, the Group operated a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to ₹ 7.86 crores (Previous Year: ₹ 7.56 crores). The outstanding pensions creditor as at March 31, 2017 is ₹ 1.04 crores (March 31, 2016: ₹ 0.88 crores; April 01, 2015: ₹ 0.02 crores).

**Defined benefit plans of CP Pharmaceuticals Limited:**

The company operates a funded defined pension scheme. The assets of the scheme are held separately from those of the company.

The scheme closed to new entrants at the end of February 2004 and all pension accruals ceased on that date. The current service costs will increase as members approach retirement.

The trustees of the pension schemes are required by law to act in the interest of the fund and of all relevant stakeholders in the scheme and are responsible for the investment policy with regard to the assets of the schemes and all other governance matters. The board of trustees must be composed 50% representatives of the Company and plan participants in accordance with the plan's regulations.

Through its defined benefit plans, the company is exposed to equity price risks, changes in bond yields, inflation risks and risks arising due to changes in life expectancy.

**The Balance Sheet net defined benefit liability is determined as follows:**

	As at March 31, 2017 ₹ in crores	As at March 31, 2016 ₹ in crores
Present value of defined benefit obligations	(349.28)	(339.94)
Fair value of plan assets	300.33	304.58
	(48.95)	(35.36)



**Changes in the present value of the defined benefit obligations are as follows:**

	As at March 31, 2017 ₹ in crores	As at March 31, 2016 ₹ in crores
Defined benefit obligation, beginning of the year	339.94	342.25
Interest expense	10.64	11.96
Benefits paid	(5.30)	(5.18)
Re-measurements: Actuarial gains and losses	58.82	(33.15)
Foreign currency translation	(54.82)	24.06
<b>Defined benefit obligation, end of the year</b>	<b>349.28</b>	339.94

**Changes in the fair value of plan assets are as follows:**

	As at March 31, 2017 ₹ in crores	As at March 31, 2016 ₹ in crores
Fair value of plan assets, beginning of the year	304.58	301.07
Interest income	9.75	10.76
Benefits paid	(5.30)	(5.18)
Contributions by employer	13.53	14.81
Re-measurements: Actuarial gains and losses	27.57	(26.58)
Foreign currency translation	(49.81)	9.70
<b>Fair value of plan assets, end of the year</b>	<b>300.33</b>	304.58

**The total costs for the year in relation to defined benefit plans are as follows:**

	For the year ended March 31, 2017 ₹ in crores	For the year ended March 31, 2016 ₹ in crores
<b>Recognised in profit or loss:</b>		
Net interest expense	0.89	1.20
	<b>0.89</b>	1.20
<b>Recognised in other comprehensive income:</b>		
Re-measurements of the net defined benefit plan	31.25	(6.56)
	<b>31.25</b>	(6.56)

**The fair value of major categories of plan assets are as follows:**

	As at March 31, 2017 %	As at March 31, 2016 %	As at April 01, 2015 %
Equity instruments	51.9	47.8	73.3
Debt instruments	8.2	9.4	13.4
Annuity policy	26.1	31.5	13.3
Other assets	13.8	11.3	-

**The return on plan assets are as follows:**

	For the year ended March 31, 2017 ₹ in crores	For the year ended March 31, 2016 ₹ in crores
Interest income	9.75	10.76
Re-measurements: Actuarial gains and losses	27.57	(26.58)
<b>Return on assets of benefit plan</b>	<b>37.32</b>	(15.83)



The principal Actuarial assumptions as at Balance Sheet date were:

	As at March 31, 2017 %	As at March 31, 2016 %	As at April 01, 2015 %
Discount rate	2.55	3.45	3.30
Expected rate of increase in salary	3.30	3.05	2.25
Inflation rate	2.40	2.10	3.15
Mortality rates			
Current pensioners at 65 - male	22.20	22.40	22.30
Current pensioners at 65 - female	24.30	24.50	24.40
Future pensioners at 65 - male	23.50	23.70	23.60
Future pensioners at 65 - female	25.80	26.00	25.90

	For the year ended March 31, 2017 %	For the year ended March 31, 2016 %
<b>Quantitative sensitivity analysis for significant assumptions is as below:</b>		
(Increase)/decrease on present value of defined benefit obligation at the end of the year		
(i) One percent point increase in discount rate	67.32	60.49
(ii) One percent point decrease in discount rate	(93.97)	(84.85)
(iii) One percent point increase in inflation rate	(77.00)	(70.00)
(iv) One percent point decrease in inflation rate	61.89	55.89
<b>Sensitivity analysis method</b>		
Sensitivity analysis is determined based on the expected movement in liability if the assumptions were not proved to be true on different count.		

34. SEGMENT INFORMATION

The Group is primarily engaged in pharmaceutical business which is considered as the only reportable business segment.

The Chief operating decision maker monitors the operating results of its pharmaceutical business as a whole for the purpose of making decisions about resource allocation and performance assessment.

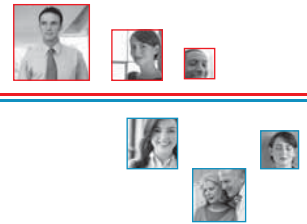
Information about reportable segments:

	For the year ended March 31, 2017 ₹ in crore	For the year ended March 31, 2017 USD in million	For the year ended March 31, 2016 ₹ in crore	For the year ended March 31, 2016 USD in million
External revenue in the above reportable business segment	4,014.61	618.81	4,453.22	672.08

Information about geographical areas:

a) Revenue from external customers:

	For the year ended March 31, 2017 ₹ in crore	For the year ended March 31, 2017 USD in million	For the year ended March 31, 2016 ₹ in crore	For the year ended March 31, 2016 USD in million
India	1526.81	235.35	1,435.44	216.64
USA	726.24	111.94	1,274.65	192.37
Europe	1392.55	214.64	1,331.51	200.95
Rest of the world and CIS	369.01	56.88	411.62	62.12
<b>Total</b>	<b>4,014.61</b>	<b>618.81</b>	<b>4,453.22</b>	<b>672.08</b>


**b) Non current assets (other than financial instruments and deferred tax assets)**

	As at March 31, 2017 ₹ in crore	As at March 31, 2017 USD in million	As at March 31, 2016 ₹ in crore	As at March 31, 2016 USD in million	As at April 01, 2015 ₹ in crore	As at April 01, 2015 USD in million
India	2,474.11	381.37	2,450.61	369.85	2,249.46	359.91
USA	362.05	55.81	374.16	56.47	333.14	53.30
Europe	1,214.94	187.27	1,143.10	172.52	914.23	146.28
Rest of the world and CIS	79.69	12.28	8.53	1.29	1.04	0.17
<b>Total</b>	<b>4,130.79</b>	<b>636.73</b>	<b>3,976.40</b>	<b>600.13</b>	<b>3,497.87</b>	<b>559.66</b>

**c) Information about major customer:**

There are no major customers contributing to more than 10% of the total revenue.

**35. FINANCIAL INSTRUMENTS - FAIR VALUES**

All amounts are in crore of Indian Rupees unless otherwise stated

**A. Accounting classification and fair values**

Carrying value and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below.

As at March 31, 2017	Carrying Value				Total	Total Fair value
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised Cost			
<b>Financial Assets</b>						
Non Current Investments	0.45	–	–	0.45	0.45	0.45
Other Non-Current Financial Assets	–	–	48.57	48.57	58.34	58.34
Current Investments	562.27	–	–	562.27	562.27	562.27
Trade receivables	–	–	1,034.45	1,034.45	1,034.45	1,034.45
Cash and cash equivalents	–	–	965.67	965.67	965.67	965.67
Bank balance (other than above)	–	–	637.94	637.94	637.94	637.94
Other Current Financial Asset	–	–	29.24	29.24	29.24	29.24
<b>Total</b>	<b>562.72</b>	<b>–</b>	<b>2,715.87</b>	<b>3,278.59</b>	<b>3,288.36</b>	<b>3,288.36</b>
<b>Financial Liabilities</b>						
Borrowings	–	–	3,850.83	3,850.83	3,854.74	3,854.74
Trade payables	–	–	533.81	533.81	533.81	533.81
Other financial liabilities (excluding Mark to Market on Derivatives)	–	–	653.68	653.68	653.68	653.68
Derivatives - Mark to market on Derivatives	1.36	–	–	1.36	1.36	1.36
<b>Total</b>	<b>1.36</b>	<b>–</b>	<b>5,038.32</b>	<b>5,039.68</b>	<b>5,043.59</b>	<b>5,043.59</b>

As at March 31, 2017	Fair value			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b>Financial Assets</b>				
Non Current Investments	–	–	0.45	0.45
Other Non-Current Financial Assets	–	58.34	–	58.34
Current Investments	562.27	–	–	562.27
<b>Total</b>	<b>562.27</b>	<b>58.34</b>	<b>0.45</b>	<b>621.06</b>
<b>Financial Liabilities</b>				
Borrowings	–	3,854.74	–	3,854.74
Derivatives - Mark to market on Derivatives	–	1.36	–	1.36
<b>Total</b>	<b>–</b>	<b>3,856.10</b>	<b>–</b>	<b>3,856.10</b>



As at March 31, 2016	Carrying amount				Total Fair value
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised Cost	Total	
<b>Financial Assets</b>					
Non Current Investments	0.45	–	–	0.45	0.45
Other Non-Current Financial Assets	–	–	47.09	47.09	49.62
Trade receivables	–	–	1,111.42	1,111.42	1,111.42
Cash and cash equivalents	–	–	664.64	664.64	664.64
Bank balance (other than above)	–	–	813.47	813.47	813.47
Other Current Financial Asset	–	–	20.31	20.31	20.31
<b>Total</b>	<b>0.45</b>	<b>–</b>	<b>2,656.93</b>	<b>2,657.38</b>	<b>2,659.91</b>
<b>Financial Liabilities</b>					
Borrowings	–	–	2,470.63	2,470.63	2,475.31
Trade payables	–	–	637.69	637.69	637.69
Other financial liabilities	–	–	586.03	586.03	586.03
<b>Total</b>	<b>–</b>	<b>–</b>	<b>3,694.35</b>	<b>3,694.35</b>	<b>3,699.03</b>

As at March 31, 2016	Fair value			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Non Current Investments	–	–	0.45	0.45
Other Non-Current Financial Assets	–	49.62	–	49.62
<b>Total</b>	<b>–</b>	<b>49.62</b>	<b>0.45</b>	<b>50.07</b>
<b>Financial Liabilities</b>				
Borrowings	–	2,475.31	–	2,475.31
<b>Total</b>	<b>–</b>	<b>2,475.31</b>	<b>–</b>	<b>2,475.31</b>

As at April 01, 2015	Carrying amount				Total Fair value
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised Cost	Total	
<b>Financial Assets</b>					
Non Current Investments	0.45	–	2.17	2.62	2.62
Other Non-Current Financial Assets	–	–	39.87	39.87	39.36
Current Investments	371.20	–	–	371.20	371.20
Trade receivables	–	–	652.38	652.38	652.38
Cash and cash equivalents	–	–	1,158.69	1,158.69	1,158.69
Bank balance (other than above)	–	–	75.86	75.86	75.86
Other Current Financial Asset	–	–	4.66	4.66	4.66
<b>Total</b>	<b>371.65</b>	<b>–</b>	<b>1,933.63</b>	<b>2,305.28</b>	<b>2,304.77</b>
<b>Financial Liabilities</b>					
Borrowings	–	–	1,775.27	1,775.27	1,776.44
Trade payables	–	–	552.56	552.56	552.56
Other financial liabilities	–	–	816.80	816.80	816.80
<b>Total</b>	<b>–</b>	<b>–</b>	<b>3,144.63</b>	<b>3,144.63</b>	<b>3,145.80</b>





As at April 01, 2015	Fair value			Total
	Level 1	Level 2	Level 3	
<b>Financial Assets</b>				
Non Current Investments	–	–	0.45	0.45
Other Non-Current Financial Assets	–	39.36	–	39.36
Current Investments	371.20	–	–	371.20
<b>Total</b>	<b>371.20</b>	<b>39.36</b>	<b>0.45</b>	<b>411.01</b>
<b>Financial Liabilities</b>				
Borrowings	–	1,776.44	–	1,776.44
<b>Total</b>	<b>–</b>	<b>1,776.44</b>	<b>–</b>	<b>1,776.44</b>

**Measurement of fair values:**

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The fair values of the loans taken from banks and other parties, and preference shares is estimated by discounting cash flows using rates currently available for debt/instruments on similar terms, credit risks and remaining maturities. Management regularly assesses a range of reasonably possible alternatives for those significant observable inputs and determines their impact on the total fair value.
- The fair value of Investment in Unquoted Equity shares of Narmada Clean Tech Limited (formerly known as Bharuch Eco-Aqua Infrastructure Limited) and Bharuch Enviro Infrastructure Limited are taken as cost of acquisition considering the statutory requirement of regulatory authorities relating to purchase and restriction on transfer. The change in the unobservable inputs for unquoted equity instruments does not have a significant impact in its value.

The following tables show the valuation techniques used in measuring Level 2 fair values, as well as the significant inputs used.

**Financial instruments measured at fair value**

Type	Valuation technique
Preference shares	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.
Security deposits against lease	
Mark to Market on Derivatives	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currency.

**36A. FINANCIAL RISK MANAGEMENT**

All amounts are in crore of Indian Rupees unless otherwise stated

The Group has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

**Risk management framework**

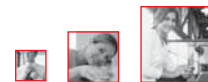
The Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's Risk Management Framework encompasses practices relating to the identification, analysis, evaluation, treatment, mitigation and monitoring of the strategic, external and operational controls risks in achieving key business objectives.

The Company has laid down the procedure for risk assessment and their mitigation through an internal Risk Committee. Key risks and their mitigation arising out of periodic reviews by the Committee are assessed and reported to the Audit Committee, on a periodic basis.

The Company's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to policies and procedures.

The Company has an independent Internal Audit and assurance team. There is a practice of reviewing various key select risks and report to Audit Committee from time to time.



**i. Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred and expected losses in respect of trade and other receivables and investments.

**Trade and other receivables**

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 credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

As at March 31, 2017, March 31, 2016 and April 01, 2015, the Group did not have any significant concentration of credit risk with any external customers.

**Expected credit loss assessment for customers as at April 01, 2015, March 31, 2016 and March 31, 2017:**

The Group allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available information etc.) and applying experienced credit judgement.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Group to determine incurred and expected credit losses. Given that the macro economic indicators affecting customers of the Group have not undergone any substantial change, the Group expects the historical trend of minimal credit losses to continue.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

As at March 31, 2017	Net carrying amount	Weighed average loss rate
Not due not impaired	602.40	2.34%
Past due 1-180 days	152.20	6.12%
Past due 181-360 days	77.22	33.01%
More than 360 days	202.63	34.49%
	<b>1,034.45</b>	

As at March 31, 2016	Net carrying amount	Weighed average loss rate
Not due not impaired	386.90	2.19%
Past due 1-180 days	543.74	8.56%
Past due 181-360 days	162.87	12.46%
More than 360 days	17.91	82.95%
	<b>1111.42</b>	

As at April 01, 2015	Net carrying amount	Weighed average loss rate
Not due not impaired	444.28	0.36%
Past due 1-180 days	133.25	27.43%
Past due 181-360 days	55.62	38.62%
More than 360 days	19.23	74.61%
	<b>652.38</b>	

The movement in the loss allowance in respect of trade and other receivables during the year was as follows:

	As at March 31, 2017	As at March 31, 2016
Opening Balance	<b>161.22</b>	141.89
Impairment loss recognised	<b>8.15</b>	19.33
Bad debts	<b>(14.71)</b>	–
Closing Balance	<b>154.66</b>	<b>161.22</b>



The Management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

#### Cash and cash equivalents

The Group held cash and cash equivalents of ₹ 965.67 crore as at March 31, 2017 (March 31, 2016: ₹ 664.64 crore; April 01, 2015: ₹ 1,158.69 crore). The cash and cash equivalents are held with bank and financial institution counterparties with good credit rating.

#### Derivatives

The forward contract has been entered into with banks /financial institution counterparties with good credit rating.

#### Others

Other than trade receivables reported above, the Group has no other financial assets that is past due but not impaired.

### ii. Liquidity risk

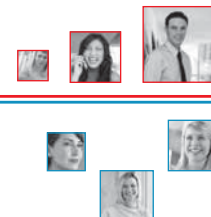
Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities. The Group monitors the net liquidity position through forecasts on the basis of expected cash flows.

The Group has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Group has access to funds from debt markets.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at March 31, 2017	Carrying amount	Contractual cash flows			
		Total	0-12 months	1-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>					
Term loans from banks/Financial Institutions (including interest)	3,194.67	3,672.69	449.16	3,158.52	65.01
Other borrowings	478.46	546.23	176.72	369.51	–
Working capital loans from banks	486.62	486.62	486.62	–	–
Trade payables and Other Current Financial Liabilities	879.93	879.93	879.93	–	–
Derivative financial liabilities - for hedging					
Forward exchange contracts (gross settled)					
– Outflow	(32.44)	(32.44)	(32.44)	–	–
– Inflow	33.78	33.78	33.78	–	–
	<b>5,041.02</b>	<b>5,586.81</b>	<b>1,993.77</b>	<b>3,528.03</b>	<b>65.01</b>

As at March 31, 2016	Carrying amount	Contractual cash flows			
		Total	0-12 months	1-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>					
Term loans from banks/Financial Institutions (including interest)	1,864.72	2,189.20	295.56	1,583.14	310.50
Other borrowings	410.85	509.42	138.45	370.53	0.44
Working capital loans from banks	414.32	414.32	414.32	–	–
Trade payables and Other Current Financial Liabilities	1,004.46	1,004.46	1,004.46	–	–
Derivative financial liabilities - for hedging					
Forward exchange contracts (gross settled)					
– Outflow	–	–	–	–	–
– Inflow	–	–	–	–	–
	<b>3,694.35</b>	<b>4,117.40</b>	<b>1,852.79</b>	<b>1,953.67</b>	<b>310.94</b>



As at April 01, 2015	Carrying amount	Contractual cash flows			
		Total	0-12 months	1-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>					
Term loans from banks/Financial Institutions (including interest)	1,655.99	1,942.12	543.36	1,125.74	273.02
Other borrowings	416.34	542.68	169.95	371.84	0.89
Working capital loans from banks	181.08	181.08	181.08	–	–
Trade payables and Other Current Financial Liabilities	891.22	891.22	891.22	–	–
Derivative financial liabilities - for hedging					
Forward exchange contracts (gross settled)					
– Outflow	–	–	–	–	–
– Inflow	–	–	–	–	–
	<b>3,144.63</b>	<b>3,557.10</b>	<b>1,785.61</b>	<b>1,497.58</b>	<b>273.91</b>

### iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and other prices such as equity price. These will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. Financial instruments affected by market risk include loans, borrowings and deposits. The Market risk the Group is exposed can be classified as Currency risk and Interest rate risk .

#### (a) Currency risk:

The Group is exposed to currency risk on account of its operations in other countries. The functional currency of the Group is Indian Rupee. The Foreign currency exchange rate exposure is partly balanced by foreign exchange contracts and through natural hedge. The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

As per the policy defined by the Board of Directors and monitored by a committee as nominated by Board, the Group enters into foreign currency forward contracts which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables/receivables. The Group also enters into derivative contracts in order to hedge and manage its foreign currency exposures towards future loan repayment.

#### Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2017, March 31, 2016 and April 01, 2015 are as below:

Particulars	Currency	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
		Amount in Foreign Currency (in million)	₹ in crore	Amount in Foreign Currency (in million)	₹ in crore	Amount in Foreign Currency (in million)	₹ in crore
Loan Aailed	EUR	8.76	60.73	10.26	77.43	8.33	55.90
	CHF	–	–	–	–	12.00	77.11
	JPY	183.00	10.61	183.00	10.80	136.00	7.10
	USD	115.65	750.28	106.98	708.82	93.98	587.37
	GBP	0.13	1.07	0.13	1.26	0.13	1.20
Interest Payable	EUR	0.01	0.09	0.02	0.18	0.03	0.18
	USD	1.19	7.71	0.94	6.20	0.02	0.10
	GBP	0.0001	0.0006	0.0001	0.0007	0.0009	0.0085
Trade Receivables	EUR	4.67	32.39	5.55	41.86	3.79	25.44
	GBP	9.05	73.21	25.75	245.64	17.33	160.32
	USD	19.97	129.55	22.79	151.01	15.48	96.77
	RUB	543.38	62.40	608.90	60.26	130.63	14.13
	MXN	83.93	29.04	85.50	33.03	80.54	32.91



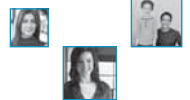
Particulars	Currency	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
		Amount in Foreign Currency (in million)	₹ in crore	Amount in Foreign Currency (in million)	₹ in crore	Amount in Foreign Currency (in million)	₹ in crore
Loans and Advances and Other Receivables	EUR	9.94	68.90	1.42	10.74	1.46	9.81
	USD	9.80	63.58	16.72	110.82	15.99	99.96
	CHF	0.06	0.38	0.00	0.02	0.51	3.31
	MXN	29.08	10.06	27.92	10.78	22.17	9.06
Trade payables and Other Liabilities	EUR	7.31	50.68	5.42	40.88	4.34	29.11
	GBP	10.17	82.22	16.11	153.74	24.27	224.49
	MXN	20.33	7.04	21.39	8.25	16.80	6.86
	USD	14.77	95.82	13.05	86.47	16.22	101.35
	RUB	57.96	6.66	99.91	9.89	29.09	3.15
Investment	CHF	21.12	136.92	-	-	14.21	91.40
	EUR	12.39	85.87	-	-	7.64	51.29
	GBP	1.29	10.44	-	-	-	-
	JPY	225.20	13.06	-	-	112.65	5.88
	HKD	-	-	-	-	9.25	7.42
Bank	GBP	2.35	19.02	8.98	85.67	12.88	119.17
	EUR	2.94	20.35	2.72	20.53	5.36	35.99
	USD	0.68	4.40	-	-	0.99	6.17
Derivatives	USD	5.00	33.78	-	-	-	-

#### Sensitivity analysis

A reasonably possible strengthening/(weakening) of the foreign currencies at March 31 would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in ₹	Profit or loss before tax Gain/(Loss)		Equity, gross of tax Increase/(Decrease)	
	Strengthening of Rupee ₹ in Crore	Weakening of Rupee ₹ in Crore	Strengthening of Rupee ₹ in Crore	Weakening of Rupee ₹ in Crore
<b>March 31, 2017</b>				
<b>5% movement</b>				
USD	2.06	(2.06)	32.44	(32.44)
GBP	(0.97)	0.97	-	-
EUR	(4.80)	4.80	-	-
RUB	(2.79)	2.79	-	-
MXN	(1.60)	1.60	-	-
	<b>(8.10)</b>	<b>8.10</b>	<b>32.44</b>	<b>(32.44)</b>

Effect in ₹	Profit or loss before tax Gain/(Loss)		Equity, gross of tax Increase/(Decrease)	
	Strengthening of Rupee ₹ in Crore	Weakening of Rupee ₹ in Crore	Strengthening of Rupee ₹ in Crore	Weakening of Rupee ₹ in Crore
<b>March 31, 2016</b>				
<b>5% movement</b>				
USD	(6.15)	6.15	33.13	(33.13)
GBP	(8.82)	8.82	-	-
EUR	2.27	(2.27)	-	-
RUB	(2.52)	2.52	-	-
MXN	(1.78)	1.78	-	-
	<b>(16.99)</b>	<b>16.99</b>	<b>33.13</b>	<b>(33.13)</b>



**(b) Interest rate risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing instruments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing instruments will fluctuate because of fluctuations in the interest rates.

**Exposure to interest rate risk**

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

	Nominal amount As at March 31, 2017	Nominal amount As at March 31, 2016	Nominal amount As at April 01, 2015
<b>Variable-rate instruments</b>			
Financial liabilities	3,668.88	2,265.76	1,913.99
	<b>3,668.88</b>	2,265.76	1,913.99
<b>Fixed-rate instruments</b>			
Financial liabilities	478.46	410.84	338.23
	<b>478.46</b>	410.84	338.23

**Cash flow sensitivity analysis for variable-rate instruments**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Impact on Profit/ (loss)- Increase / (Decrease) in Profit	
	For the year ended March 31, 2017	For the year ended March 31, 2016
100 bp increase	(36.69)	(22.66)
100 bp decrease	36.69	22.66

**(iv) Off-setting or similar agreements**

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at March 31, 2017, March 31, 2016 and April 01, 2015.

Particulars	Effects of offsetting on the balance sheet			Amounts subject to master netting		
	Gross Amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Related amounts not offset	Financial Instrument Collateral	Net amount
<b>March 31, 2017</b>						
<b>Financial liabilities</b>						
Borrowings	-	-	-	1,621.88	45.00	1,576.88

Particulars	Effects of offsetting on the balance sheet			Amounts subject to master netting		
	Gross Amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Related amounts not offset	Financial Instrument Collateral	Net amount
March 31, 2016						
<b>Financial liabilities</b>						
Borrowings	-	-	-	-	-	-





Particulars	Effects of offsetting on the balance sheet			Amounts subject to master netting		
	Gross Amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Related amounts not offset	Financial Instrument Collateral	Net amount
April 01, 2015						
<b>Financial liabilities</b>						
Borrowings	-	-	-	-	-	-

**(a) Offsetting arrangements**  
**Borrowings**

The Company is required to maintain fixed deposits on hypothecation for loan availed, by one of the subsidiary Wockhardt Bio AG, of USD 250 million. The cash cannot be withdrawn or used by the Company for liquidity purposes whilst the borrowing is outstanding. However, upon maturity of the borrowing, the Company and the lender do not intend to net settle. Hence the fixed deposit and the borrowing are not net settled.

### 36B. CAPITAL MANAGEMENT

The Group's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Group.

The Group determines the amount of capital required on the basis of annual and long-term strategic plans. The Group's policy is aimed at combination of short-term and long-term borrowings.

The Group monitors the capital structure on the basis of 'adjusted net debt' to 'adjusted equity'. For this purpose adjusted net debt is defined as total liabilities comprising interest bearing loans and borrowings and obligations under finance lease, less cash and cash equivalents, Bank balance and current investments. Adjusted equity comprises Equity attributable to the shareholders of the Company (other than amounts accumulated in the hedging reserve, if any)

The following table summarizes the capital of the Group:

	As at March 31, 2017 ₹ in crore	As at March 31, 2016 ₹ in crore	As at April 01, 2015 ₹ in crore
Total Borrowings	4,147.34	2,676.60	2,252.22
Less : Cash and cash equivalents, Bank balance and Current investment	2,165.88	1,478.11	1,605.75
<b>Adjusted net debt</b>	<b>1,981.46</b>	1,198.49	646.47
<b>Adjusted equity</b>	<b>3,336.71</b>	3,775.12	3,688.28
Adjusted net debt to adjusted equity ratio	<b>0.59</b>	0.32	0.18

37. The Company's New Chemical Entity ('NCE') research program continued to get major boost during the Financial Year 2016-17 with US Food and Drugs Administrator ('US FDA') granting abridged clinical trial for Phase III for Wockhardt's Superdrug antibiotic WCK 5222. The Development Expenses incurred during the year of ₹ 122.54 crores (Previous Year: ₹ 77.21 crores) has been capitalised and included under 'Intangible assets under development' as at March 31, 2017.

In August, 2016, the Company received Import Alert 66-40 on its API facility (Active Pharmaceuticals Ingredients) located at Ankleshwar, Gujarat. However, in September, 2016, US FDA excluded product 'Ceftriazone Sodium' from import alert from the same plant enabling the Company to continue to manufacture and sell the same (both API and formulation) in the US market.

During the year, on a significant positive, the Company received approvals of UK MHRA for its manufacturing facility at L-1, Chikalhana, Aurangabad and reduced the inspection frequency to 2 years from existing frequency of 1 year. UK MHRA also has confirmed compliance with the principles and guidelines of GMP for the Company's manufacturing facility at Kadaiya, Daman. HPR (Health Products Regulatory Authority), Ireland inspected the manufacturing facility at Shendra, Aurangabad during the year.



### 38. RELATED PARTY DISCLOSURES

As per Ind AS 24, the disclosure of transactions with the related parties are given below:

**a) Parties where significant influence/control exists**

**Associate Company**

Swiss Biosciences AG (liquidated on April 13, 2015)

**Other parties exercising control**

Humuza Consultants (w.e.f. July 08, 2014)\*

\* Themisto Trustee Company Private Limited holds shares in the Company in its capacity as the trustee of Habil Khorakiwala Trust which in turn holds these shares in its capacity as the partner of the partnership firm Humuza Consultants.

Habil Khorakiwala Trust (w.e.f. March 22, 2017)\*\*

\*\* Themisto Trustee Company Private Limited holds shares in the Company in its capacity as the trustee of Habil Khorakiwala Trust.

**b) Other related party relationships where transactions have taken place during the year  
Enterprises over which Key Managerial Personnel exercise significant influence/control**

The Peace Mission Pvt Ltd w.e.f. 28.12.2016 (formerly Tohfaa Gifting Private Limited)

Palanpur Holdings and Investments Private Limited

Khorakiwala Holdings and Investments Private Limited-w.e.f. July 08, 2014

Dartmour Holdings Private Limited

Wockhardt Hospitals Limited

Amalthea Consultants (w.e.f. July 08, 2014)

Lysithea Consultants (w.e.f. July 08, 2014)

HNZ Consultants (w.e.f. July 08, 2014)

Amalthea Discretionary Trust (w.e.f. March 23, 2017)

Lysithea Discretionary Trust (w.e.f. March 23, 2017)

HNZ Discretionary Trust (w.e.f. March 23, 2017)

Merind Limited

Wockhardt Foundation

Carol Info Services Limited-w.e.f. July 08, 2014

Dr. Habil Khorakiwala Education and Health Foundation (Trust)-[Wockhardt Global School]

**Key managerial personnel**

H.F.Khorakiwala- Chairman

Shekhar Datta-Non-Executive Independent Director

Aman Mehta-Non-Executive Independent Director

D S Brar-Non-Executive Independent Director

Sanjaya Baru-Non-Executive Independent Director

Tasneem Mehta-Non-Executive Independent Director

Baldev Raj Arora-Non-Executive Independent Director (w.e.f. May 28, 2015)

Vinesh Kumar Jairath-Additional, Non-Executive Independent, Director (w.e.f. November 10, 2016)

Huzaifa Khorakiwala - Executive Director

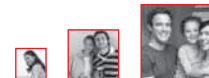
Murtaza Khorakiwala - Managing Director

**Relatives of Key managerial personnel**

N. H. Khorakiwala

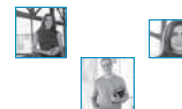


	For the year ended March 31, 2017 ₹ in crore	For the year ended March 31, 2017 USD in million	For the year ended March 31, 2016 ₹ in crore	For the year ended March 31, 2016 USD in million
<b>c) Transactions with related parties during the Year</b>				
(All the amounts mentioned below for the disclosure are the contractual amounts based on the arrangement with respective parties)				
<b>Key managerial personnel</b>				
Remuneration paid/payable [Chairman ₹ 1.48 crore (March 31, 2016: ₹ 1.48 crore), Managing Director ₹ 1.49 crore (March 31, 2016: ₹ 1.49 crore), Executive Director ₹ 1.49 crore (March 31, 2016: ₹ 1.49 crore)]	4.46	0.69	4.46	0.67
Remuneration paid by one of the Subsidiary Chairman	34.00	5.24	20.07	3.03
Dividend paid by one of the Subsidiary Chairman	19.16	2.95	–	–
Subscription of shares, at prevailing market price, of one of the subsidiary in accordance with approved stock option scheme.	–	–	85.71	12.94
Chairman				
Dividend paid [Chairman ₹ 0.44 crore (March 31, 2016: ₹ Nil), Managing Director ₹ 0.23 (March 31, 2016: - ₹ Nil), Executive Director ₹ 0.22 crore (March 31, 2016: ₹ Nil)]	0.89	0.14	–	–
Director sitting fee paid [Shekhar Datta ₹ 0.09 crore (March 31, 2016: ₹ 0.12 crore), D S Brar ₹ 0.12 crore (March 31, 2016: ₹ 0.12 crore), Sanjaya Baru ₹ 0.12 crore (March 31, 2016: ₹ 0.12 crore), Tasneem Mehta ₹ 0.12 crore (March 31, 2016: ₹ 0.12 crore), Baldev Raj Arora ₹ 0.12 crore (March 31, 2016: ₹ 0.11 crore), Aman Mehta ₹ 0.12 crore (March 31, 2016: ₹ 0.12 crore), Vinesh Kumar Jairath ₹ 0.04 crore (March 31, 2016: ₹ Nil)]	0.73	0.11	0.71	0.11
<b>Relatives of Key managerial personnel</b>				
Dividend paid	0.003	–	–	–
<b>Other parties exercising control</b>				
Dividend paid to Humuza Consultants.	65.90	10.16	–	–
<b>Enterprise over which Key Managerial Personnel exercise significant influence/ Control</b>				
Rent paid [Palanpur Holdings and Investments Private Limited ₹ 0.92 crore (March 31, 2016: ₹ 1.04 crore), Wockhardt Hospitals Limited ₹ 0.72 crore (March 31, 2016: ₹ 0.82 crore), Carol Info Services Limited ₹ 62.25 crore (March 31, 2016: ₹ 66.46 crore)]	63.89	9.85	68.32	10.31
Contribution and reimbursement of expenses given to Wockhardt Foundation	7.92	1.22	8.00	1.21
Advance to Wockhardt Foundation	0.39	0.06	–	–



	For the year ended March 31, 2017 ₹ in crore	For the year ended March 31, 2017 USD in million	For the year ended March 31, 2016 ₹ in crore	For the year ended March 31, 2016 USD in million
Donation paid to Habil Khorakiwala Education and Health Trust	0.39	0.06	–	–
Reimbursement of Expenses [Wockhardt Hospitals Limited ₹ 0.17 crore (March 31, 2016: 0.13 crore), Carol Info Services Limited ₹ 1.58 crore (March 31, 2016: ₹ 1.83 crore), The Peace Mission Private Limited ₹ 0.34 crore (March 31, 2016: ₹ Nil)]	2.09	0.32	1.96	0.30
Security deposit to Carol Info Services Limited	–	–	9.00	1.36
Rent income [Wockhardt Hospitals Limited ₹ 0.02 crore (March 31, 2016: ₹ 0.01 crore), Wockhardt Foundation ₹ 0.01 crore (March 31, 2016: ₹ Nil), Wockhardt Global School ₹ 0.01 crore (March 31, 2016: ₹ Nil)]	0.04	0.01	0.01	–
Recovery of expenses from Palanpur Holdings and Investments Private Limited	0.002	–	–	–
Dividend paid [Khorakiwala Holdings and Investments Private Limited ₹ 0.01 crore (March 31, 2016: ₹ 0.01 crore), Amalthea Consultants ₹ 5.0 crore (March 31, 2016: ₹ Nil), Lysithea Consultants ₹ 5.0 crore (March 31, 2016: ₹ Nil), HNZ Consultants ₹ 5.2 crore (March 31, 2016: ₹ Nil)]	15.21	2.34	0.01	–

	As at March 31, 2017 ₹ in crore	As at March 31, 2017 USD in million	As at March 31, 2016 ₹ in crore	As at March 31, 2016 USD in million	As at April 01, 2015 ₹ in crore	As at April 01, 2015 USD in million
<b>d) Related party balances</b>						
(All the amounts mentioned below for the disclosure are the contractual amounts based on the arrangement with respective parties. Where such amounts are different from carrying amounts as per Ind AS financial statements, their carrying values have been separately disclosed in brackets)						
Security deposit given to Carol Info Services Limited - Transaction value	55.50	8.55	55.50	8.38	46.50	7.44
[Carrying amount ₹ 28.18 crore (March 31, 2016 : ₹ 26.15 crore; April 01, 2015 : ₹ 17.09 crore)]						
Payable to Enterprises over which Key Managerial Personnel exercise significant influence/ Control [Wockhardt Hospitals Limited ₹ 0.68 crore (March 31, 2016 : ₹ 0.23 crore; April 01, 2015 : ₹ 0.18 crore), Carol Info Services Limited ₹ 24.16 crore (March 31, 2016: ₹ 21.41 crore; April 01, 2015: ₹ 13.34 crore)]	24.84	3.83	21.64	3.27	13.52	2.16



	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	₹ in crore	USD in million	₹ in crore	USD in million	₹ in crore	USD in million
Receivable from Enterprises over which Key Managerial Personnel exercise significant influence/control [Merind Limited ₹ 0.57 crore (March 31, 2016: ₹ 0.57 crore; April 01, 2015: ₹ 0.57 crore), Wockhardt Foundation ₹ 0.001 crore (March 31, 2016: ₹ Nil; April 01, 2015: ₹ Nil), Palanpur Holdings and Investments Private Limited ₹ 0.002 crore (March 31, 2016: ₹ Nil; April 01, 2015: ₹ Nil)]	0.57	0.09	0.57	0.09	0.57	0.09
Security deposit given to Palanpur Holdings and Investments Private Limited	2.75	0.42	2.75	0.42	2.75	0.44
Advance given to Wockhardt Foundation	0.39	0.06	-	-	-	-
Payable to Key Managerial personnel [Managing Director : ₹ Nil (March 31, 2016: ₹ Nil; April 01, 2015: ₹ 0.23 crore), Executive Director : ₹ Nil (March 31, 2016: ₹ Nil; April 01, 2015: ₹ 0.23 crore)]	-	-	-	-	0.46	0.07

### 39. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 101 FIRST TIME ADOPTION ON INDIAN ACCOUNTING STANDARDS

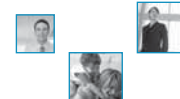
#### Explanation of transition to Ind AS

The below mentioned reconciliations provide a quantification of the effect of significant differences arising from the transition from Indian GAAP to Ind AS in accordance with Ind AS 101 for the following:

- equity as at April 01, 2015;
- equity as at March 31, 2016;
- profit for the year ended March 31, 2016

#### EQUITY RECONCILIATION

Particulars	Note	As at	
		March 31, 2016	April 01, 2015
<b>Equity as per Previous GAAP (Indian GAAP) (including Minority Interest)</b>		<b>4,342.78</b>	<b>3,859.30</b>
Reclassification of preference shares from equity to Long term borrowings and impact of Fair valuation	1	(269.90)	(242.15)
Fair value measurement of Current Investments	2	-	32.48
Fair Valuation of security deposits as per Ind AS 109	3	(3.37)	(2.65)
Fair valuation of certain properties considered as deemed cost and impact of depreciation on components of plant and equipments	4	261.54	260.88
Impairment (mainly based on expected credit loss)	5	(101.64)	(101.64)
Other adjustments	7	(6.02)	(4.77)
Tax adjustments	8	17.06	32.64
<b>Adjusted Equity as per Ind-AS (including Non-Controlling Interests)</b>		<b>4,240.45</b>	<b>3,834.09</b>



## PROFIT RECONCILIATION

	Note	For the year ended March 31, 2016
<b>Net profit/(loss) as per Previous GAAP:</b>		<b>325.66</b>
Adjustments:		
Interest unwinding on preference share liability and reversal of proposed dividend	1	(27.79)
Fair value measurement of Current Investments	2	(32.48)
Fair valuation of security deposits	3	(0.72)
Re-measurement of net defined benefit (liability)/asset recognised in other comprehensive income	6	(5.75)
Depreciation on plant and equipments and amortisation related to fair value as deemed cost of certain properties	4	0.66
Other adjustments	7	1.54
Tax adjustments	8	(10.40)
<b>Net profit as per Ind AS</b>		<b>250.72</b>

### Notes -

- Under the previous GAAP, preference shares were shown as part of equity and carried at cost. Redeemable preference shares contain a contractual obligation to deliver cash to the holders. Under Ind AS the same is classified as liability. Proposed dividend on preference shares has been reversed on the transition date.
- Under the previous GAAP, Current investments were valued at cost or market value whichever is less but under Ind AS Current investments are valued at fair value. The resultant impact as on April 01, 2015 has been adjusted in retained earnings and subsequent changes has been recorded in the Statement of Profit and Loss.
- Under the previous GAAP, interest free security deposits were accounted for at transaction price. Under Ind AS, security deposits are to be measured at fair value at inception with reference to market rates and the difference is to be recognised as prepaid rentals.
- The Group has chosen to value certain property at its fair value on the transition date. This amount has been recognised in retained earnings. Consequently, the Group has recognised additional depreciation on aforesaid based on the fair value in subsequent years. The Group has also accounted for depreciation on significant components of plant and equipment retrospectively in the retained earnings upto transition date.
- Under the Previous GAAP the Company has created allowance for doubtful debts based on its estimation. Under Ind AS, the allowance for credit loss has been made based on Expected Credit Loss (ECL) provision matrix.
- Under Ind AS, actuarial gain/loss on defined benefits plans are recognised in Other Comprehensive Income.
- Other adjustments comprises of ESOP, lease straightlining, non controlling interest etc. adjusted as per the requirements of respective Ind AS.
- Tax adjustments include the tax effects of certain pre-tax previous GAAP to Ind AS adjustments described above.

## 40. Non-controlling interests

The following table summarises the financial information relating to the Group's subsidiary that has material non-controlling interests:

Name	Country of incorporation	As at March 31, 2017	As at March 31, 2016
Wockhardt Bio AG	Switzerland	14.15%	14.15%

	For the year ended March 31, 2017	For the year ended March 31, 2016
Revenue from operations	2,242.10	2,790.30
Profit / (Loss) for the year	(214.27)	177.22
Other comprehensive income / (loss) for the year	(177.18)	(0.94)
Total comprehensive income / (loss) for the year	(391.45)	176.28
<b>Profit / (Loss) allocated to Non - Controlling Interests</b>	<b>(30.32)</b>	1.51
<b>Total comprehensive income / (loss) allocated to Non - Controlling Interests</b>	<b>(55.39)</b>	(24.71)

	As at March 31, 2017	As at March 31, 2016
Non-current assets	1,709.86	2,630.52
Current assets	3,644.34	2,206.46
Non-current liabilities	1,873.01	500.99
Current liabilities	764.49	1,029.61
Net assets	2,716.70	3,306.38
<b>Net assets attributable to Non - Controlling Interests</b>	<b>381.94</b>	465.33





	As at March 31, 2017	As at March 31, 2016
Cash flows from (used in) operating activities	19.46	437.32
Cash flows from (used in) investing activities	(765.53)	112.64
Cash flows from (used in) financing activities (dividends to Non - Controlling Interests : ₹ 28.00 crore)	1,135.31	(364.43)
Foreign currency translation differences	(123.26)	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>265.99</b>	<b>185.53</b>

During the previous year, Wockhardt Bio AG, Switzerland, in accordance with stock option scheme approved by the Ordinary General Meeting of the Shareholders of Wockhardt Bio AG held on September 11, 2015, has allotted 5,000,000 Ordinary shares at the prevailing market price. With this issue of shares, Wockhardt Limited's shareholding has reduced from 95.00% to 85.85% of the share capital of Wockhardt Bio AG.

#### 41. SHARE BASED PAYMENTS TO EMPLOYEES

The Compensation Committee of the Board of Directors of the Company has, under Wockhardt Stock Option Scheme -2011 ('the Scheme' or 'ESOS') granted 60,000 options @ ₹ 397/- per option (Grant 1), another 60,000 options @ ₹ 365/- per option (Grant 2), 1,420,000 options @ ₹ 5/- per option (Grant 3), 350,000 options @ ₹ 5/- per option (Grant 4), 8,500 options @ ₹ 5/- per option (Grant 5), 200,000 options @ ₹ 5/- per option (Grant 6) and 223,500 options @ ₹ 5/- per options (Grant 7) in accordance with the provisions of Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014, to the selected employees (including Independent Directors) of the Company and its subsidiaries. The method of settlement is by issue of equity shares to the selected employees (including Independent Directors) who have exercised the options. The scheme shall be administered by the compensation committee of Board of directors.

The options issued vests in periods ranging 1 year and 7 years 3 months from the date of grant, and can be exercised during such period not exceeding 7 years.

Employee stock option activity under Scheme 2011 is as follows:

	For the year ended March 31, 2017	For the year ended March 31, 2016
a) Outstanding at beginning of the year	698,750	1,243,500
b) Granted during the year *	223,500	-
c) Lapsed during the year (re -issueable)	-	108,750
d) Exercised during the year	39,125	436,000
e) Outstanding at the end of the year :	883,125	698,750
of which Options vested and exercisable at the end of the year	389,275	264,500
Weighted average share price on the date of exercise per share	₹ 948.70	-
Weighted average share price for the period	-	1,310.54
Range of weighted average fair value of options on the date of grant per share	₹ 106.47 - ₹ 1,949.76	

No option have been forfeited during the year or in the previous year.

	For the year ended March 31, 2017	For the year ended March 31, 2016
Net profit / (loss) as reported in Statement of Profit and Loss	(195.72)	250.72
Basic earnings per share as reported (₹)	(17.71)	22.71
Diluted earnings per share as reported (₹)	(17.71)	22.55
Fair value of the options have been computed as per the Black Scholes Pricing Model The key assumptions used to estimate the fair value of options are :		
Range of stock price at the time of option grant (₹ Per share)	₹ 414 – ₹ 1,954.20	₹ 414 – ₹ 1,954.20
Range of expected life	1.50 years – 7.75 years	1.50 years – 7.75 years
Range of risk free interest rate	7.43% – 8.64 %	7.86% – 8.64 %
Range of Volatility	36% – 88%	36% – 88%
Range of weighted average exercise price (₹ Per share)	₹ 5 – ₹ 37.65	₹ 5 – ₹ 37.65
Range of Weighted average remaining contractual life	4.01 years – 10.46 years	3.01 years – 10.21 years



The working of price relatives has been done by taking historical price movement of the closing prices which includes change in price due to dividend, hence dividend is not factored separately. Volatility is based on the movement of stock price on NSE based on the price data for last 12 months upto the grant date.

	For the year ended March 31, 2017	For the year ended March 31, 2016
*The key assumptions used to estimate the fair value of options granted during the year:		
Range of stock price at the time of option grant (₹ Per share)	<b>970.80</b>	
Range of expected life	<b>2 to 6.5</b>	
Range of risk free interest rate	<b>7.43%</b>	
Range of Volatility	<b>59%</b>	

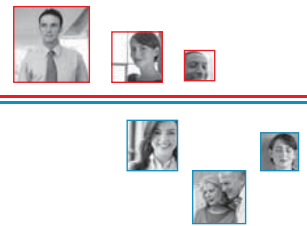
#### 42. INVESTMENT IN ASSOCIATE COMPANIES

Swiss Biosciences AG, an associate company with holding interest of Wockhardt Bio AG @ 45% has been liquidated on April 13, 2015.

#### 43. CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)

- (a) Demands by Central Excise authorities in respect of Classification/ Valuation/ Cenvat Credit related disputes; stay orders have been obtained by the Company in case of demands which have been confirmed ₹ 34.84 crore (March 31, 2016 - ₹ 28.10 crore; April 01, 2015 - ₹ 30.45 crore).
- (b) Demand by Income tax authorities ₹ 207.63 crore (March 31, 2016 - ₹ 70.10 crore; April 01, 2015 - ₹ 70.00 crore) disputed by the Company.
- (c) Demand by Sales Tax authorities ₹ 60.46 crore (March 31, 2016 - ₹ 20.03 crore; April 01, 2015 - ₹ 12.60 crore) disputed by the Company (including ₹ 1.33 crore on account of amalgamation in April 01, 2015).
- (d) Claims against Company not acknowledged as debt in respect of electricity expense ₹ 5.85 crore (March 31, 2016 - ₹ 5.24 crore; April 01, 2015 - ₹ 4.65 crore) and interest expense ₹ 4.59 crore (March 31, 2016 - ₹ 4.68 crore; April 01, 2015 - ₹ Nil)
- (e) Demand from National Pharmaceutical Pricing Authority (NPPA) in respect of overcharging of certain products disputed by the Company ₹ 7.30 crore (March 31, 2016 - ₹ 7.30 crore; April 01, 2015 - ₹ 7.30 crore)
- (f) One of the customer of a step down subsidiary of the Company has brought a claim relating to a commercial dispute over a contract which is sub-judice. The case has been heard in court, however judgement is currently pending. Since the ultimate outcome of the matter cannot presently be determined, no provision for any liability, that may arise, has been made in the financial statements.
- (g) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 323.41 crore (March 31, 2016 - ₹ 143.10 crore; April 01, 2015 - ₹ 138.73 crore) after deducting advance on capital account of ₹ 24.74 crore (March 31, 2016 - ₹ 38.18 crore; April 01, 2015 - ₹ 18.74 crore).

44. Bank guarantees issued against various liabilities/obligations ₹ 20.75 crore (March 31, 2016 - ₹ 24.35 crore; April 01, 2015 - ₹ 31.72 crore).
45. As part of Corporate Social Responsibility (CSR), the Company had made voluntary contribution of ₹ 7.92 crore (Previous year : ₹ 8.00 crore) during the year for spending on CSR activities to Wockhardt Foundation and included the same in Note 29 under "Miscellaneous expenses," being contribution and other expenses (Also Refer note 38). No amount has been incurred by the Company towards construction/ acquisition of any assets.
46. Exchange fluctuation for the year includes Mark to market loss of ₹ 1.36 crore (Previous year: ₹ Nil) accounted for on the forward contract.


**47 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures**

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	Amount ₹ in Crore	As % of consolidated profit or loss	Amount ₹ in Crore	As % of consolidated other comprehensive income	Amount ₹ in Crore	As % of total comprehensive income	Amount ₹ in Crore
<b>Parent</b>								
Wockhardt Limited	32.79	1,219.32	(60.66)	137.12	0.89	(1.61)	(33.25)	135.51
<b>Subsidiaries</b>								
<b>Indian</b>								
Wockhardt Infrastructure Development Limited	4.45	165.57	(6.74)	15.24	-	-	(3.74)	15.24
<b>Foreign</b>								
1 Z&Z Services GmbH	(0.03)	(1.16)	-	-	-	-	-	-
2 Wockhardt Europe Limited	0.21	7.77	(0.13)	0.30	-	-	(0.07)	0.30
3 Wockhardt Nigeria Limited	-	0.17	(0.13)	0.30	-	-	(0.07)	0.30
4 Wockhardt UK Holdings Limited	2.24	83.46	0.01	(0.02)	-	-	-	(0.02)
5 CP Pharmaceuticals Limited	12.42	461.86	28.21	(63.77)	13.39	(24.32)	21.61	(88.09)
6 CP Pharma (Schweiz) AG	0.03	1.15	0.05	(0.12)	-	-	0.03	(0.12)
7 Wallis Group Limited	0.62	23.21	-	-	-	-	-	-
8 The Wallis Laboratory Limited	(0.05)	(1.79)	0.04	(0.08)	-	-	0.02	(0.08)
9 Wockhardt Farmaceutica do Brasil Ltda	-	0.01	0.02	(0.04)	-	-	0.01	(0.04)
10 Wallis Licensing Limited	(0.25)	(9.14)	-	-	-	-	-	-
11 Wockhardt USA LLC	1.31	48.88	(6.74)	15.24	-	-	(3.74)	15.24
12 Wockhardt Bio AG	56.30	2,093.63	135.93	(307.25)	-	-	75.38	(307.25)
13 Wockhardt UK Limited	2.27	84.29	(5.56)	12.56	-	-	(3.08)	12.56
14 Wockpharma Ireland Limited	2.28	84.89	9.99	(22.59)	-	-	5.54	(22.59)
15 Pinewood Laboratories Limited	8.57	318.74	(12.88)	29.12	-	-	(7.14)	29.12
16 Wockhardt Holding Corp	4.30	159.80	1.32	(2.99)	-	-	0.73	(2.99)
17 Morton Grove Pharmaceuticals Inc	13.09	486.92	(9.57)	21.63	-	-	(5.31)	21.63
18 MGP Inc	0.40	14.88	(1.08)	2.45	-	-	(0.60)	2.45
19 Wockhardt France (Holdings) S.A.S	(8.92)	(331.75)	(3.29)	7.44	-	-	(1.83)	7.44
20 Laboratoires Pharma 2000 S.A.S	(0.80)	(29.68)	(1.10)	2.49	-	-	(0.61)	2.49
21 Laboratoires Negma S.A.S	6.23	231.80	(4.83)	10.91	-	-	(2.68)	10.91
22 Niverpharma S.A.S	(0.66)	(24.48)	0.10	(0.22)	-	-	0.05	(0.22)
23 Negma Beneulex S.A	0.02	0.65	0.08	(0.19)	-	-	0.05	(0.19)
24 Phytex S.A.S	0.02	0.56	0.01	(0.02)	-	-	-	(0.02)
25 Wockhardt Farmaceutica SA DE CV	(2.18)	(80.93)	8.65	(19.55)	-	-	4.80	(19.55)
26 Wockhardt Services SA DE CV	(0.02)	(0.77)	0.10	(0.23)	-	-	0.06	(0.23)
27 Pinewood Healthcare Limited	-	0.13	0.02	(0.05)	-	-	0.01	(0.05)
28 Wockhardt Bio (R) *	0.04	1.35	(0.37)	0.84	-	-	(0.21)	0.84
29 Wockhardt Bio Pty Ltd *	-	0.15	(0.04)	0.10	-	-	(0.02)	0.10
Non-controlling interests in all subsidiaries	10.27	381.94	13.41	(30.32)	13.81	(25.07)	13.59	(55.39)
<b>Sub Total</b>	<b>144.95</b>	<b>5,391.43</b>	<b>84.82</b>	<b>(191.70)</b>	<b>28.09</b>	<b>(51.00)</b>	<b>59.53</b>	<b>(247.70)</b>
Add / (Less): Effect of Inter Company elimination / adjustment	(44.95)	(1,672.78)	15.18	(34.34)	71.91	(130.57)	40.47	(164.91)
<b>Total</b>	<b>100.00</b>	<b>3,718.65</b>	<b>100.00</b>	<b>(226.04)</b>	<b>100.00</b>	<b>(181.57)</b>	<b>100.00</b>	<b>(407.61)</b>

\* Wockhardt Bio (R) was incorporated in Russia on August 25, 2015

\* Wockhardt Bio Pty Ltd was incorporated in Australia on August 19, 2015

# Wockhardt Bio Ltd, incorporated in New Zealand on November 11, 2015, is yet to commence the business.



#### 48. Optional Exemptions and Mandatory Exemptions availed under Ind AS 101

In preparing these financial statements, the Group has availed certain exemptions and exceptions in accordance with Ind AS 101 as explained below:

##### Optional Exemptions

- a) The Group has elected to measure some items of property, plant and equipment at the date of transition to Ind AS at their fair value and use that fair value as its deemed cost at that date. The remaining items of property, plant and equipment are measured as per Ind AS at the date of transition.
- b) Share-based payment transactions  
The Company has elected not to apply Ind AS 102 Share Based Payments to equity instruments that vested before the date of transition to Ind AS.
- c) Business combinations  
Ind AS 101 provides the option to apply Ind AS 103 "Business Combinations" prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Group elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

#### 48. Mandatory Exemptions

- a) Estimates  
Upon an assessment of the estimates made under Indian GAAP, the Group has concluded that there was no necessity to revise such estimates under Ind AS, except where estimates were required by Ind AS and not required by Indian GAAP.
- b) Government loans  
The Company has measured its Government loan at the carrying value as per previous GAAP at the date of transition to Ind AS in the opening Ind AS Balance Sheet after applying requirements in Ind AS 109 Financial Instruments, and Ind AS 20 Accounting for Government Grants and Disclosure of Government Assistance prospectively.

49. There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

50. These financial statements are the Group's first Ind AS financial statements and accordingly previous year figures have been regrouped where necessary to conform to current year's classification.

As per our attached report of even date

##### For Haribhakti & Co. LLP

Chartered Accountants  
ICAI Firm Registration No. 103523W/W100048

##### Bhavik L. Shah

Partner  
Membership No. 122071  
Place : Mumbai  
Date : May 04, 2017

**Narendra Singh**  
Company Secretary

**Manas Datta**  
Chief Financial Officer

For and on behalf of the Board of Directors

**H. F. Khorakiwala**  
Chairman  
DIN: 00045608

**Huzaifa Khorakiwala**  
Executive Director  
DIN: 02191870

**Murtaza Khorakiwala**  
Managing Director  
DIN: 00102650

**Shekhar Datta**  
DIN: 00045591

**Aman Mehta**  
DIN: 00009364

**D. S. Brar**  
DIN: 00068502

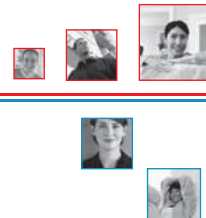
**Sanjaya Baru**  
DIN: 05344208

**Tasneem Mehta**  
DIN: 05009664

**Baldev Raj Arora**  
DIN: 00194168

**Vinesh Kumar Jairath**  
DIN: 00391684

Directors



## INDEPENDENT AUDITOR'S REPORT

### To the Members of Wockhardt Limited

#### Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Wockhardt Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information, (hereinafter referred to as "Ind AS Financial Statements")

#### Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit (financial performance including other comprehensive income), cash flows and changes in equity 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the 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 and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

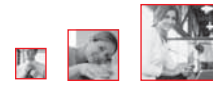
#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2017, its profit (financial performance including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

#### Other Matter

The comparative financial information of the Company for the year ended March 31 2016 and the transition date opening balance sheet as at April 01, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us whose report for the year ended March 31, 2016 and March 31, 2015 dated May 06, 2016 and May 28, 2015 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.



### Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report 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;
  - c. The Balance Sheet, the Statement of Profit and Loss, Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2".
  - g. 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:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 50 on Contingent Liabilities to the standalone Ind AS financial statements;
    - (ii) 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 47 & 48 to the standalone Ind AS financial statements;
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - (iv) The Company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016 and these are in accordance with the books of account maintained by the Company - Refer Note 12(b) to the standalone Ind AS financial statements.

For **Haribhakti & Co. LLP**  
*Chartered Accountants*  
ICAI Firm Registration No.103523W /W100048

**Bhavik L. Shah**  
*Partner*  
Membership No. 122071

Place: Mumbai  
Date : May 04, 2017





## ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Wockhardt Limited on the standalone IND AS financial statements for the year ended March 31, 2017]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (b) During the year, Property, Plant and Equipment have been physically verified by the management as per the regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) According to the information & explanation given to us, the title deeds of immovable properties other than self-constructed properties recorded as Property, Plant and Equipment in the books of account of the Company as on March 31, 2017 are held in the name of the company, except for the details given below:

In respect of Freehold land with gross block and net block of ₹ 0.28 Crore and Building comprising of certain flats with gross block of ₹ 0.91 Crore and net block of ₹ 0.60 Crore, relevant transfer in the name of the Company is pending.

- (ii) The inventory (excluding stocks lying with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable. As informed, no material discrepancies were noticed on physical verification carried out during the year.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.
- (iv) Based on information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii) (a) According to the information and explanation given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax, service tax, value added tax, customs duty, excise duty on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in crore)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Demand and Penalty for Classification	0.73	February 2001 to February 2003	CESTAT
	Demand and Penalty for Classification.	2.20	September 1991 to July 1993	CESTAT
	Demand and Penalty for Classification.	4.44	April 2005 to March 2009	CESTAT
	Demand and Penalty for Classification.	21.22	May 2004 to March 2007	CESTAT
	EPO Formulation matter	6.25	February 2001 to February 2003	CESTAT
UP VAT/CST Act	Demand under Section 28 & Section 9(2)	0.25	April 2009 to March 2010	Addl. Commissioner Grade 2 (Appeals), U.P



Name of the statute	Nature of dues	Amount (₹ in crore)	Period to which the amount relates	Forum where dispute is pending
	Sales Tax Due to under Invoicing and late deposit of tax	0.08	2003-04 to 2005-06	Joint Commissioner (Appeals), U.P
	Demand under Section 28 & Section 9(2)	0.29	April 2008 to March 2009	Addl. Commissioner Grade 2 (Appeals) first, Ghaziabad
WB VAT/CST Act	Demand under various Sections	2.44	2005-06 to 2015-16	Addl. Commissioner (Appeals) and Appellate & Revision Board, W.B
Kerala VAT Act	Demand under Section 21	0.07	April 2011 to March 2012	Commissioner (Appeals), Kerala
Patna VAT Act	VAT on free goods supplied as bonus offer and deposited	0.54	2009-10 to 2012-2013	Joint Commissioner Commercial Taxes (Appeals), Bihar
Central Sales Tax/ VAT Act	Demand under Section 9(2)	0.30	April 2005 to March 2006	Deputy Commissioner of Sales Tax (Appeals III), Maharashtra
	Demand under CST and Goa VAT act.	1.25	2006-2007	Addl. Commissioner of Commercial Tax, Goa
	Demand under MVAT act.	3.04	April 2009 to March 2010	Joint Commissioner (Appeal V), Maharashtra
	Demand under CST Act	0.41	April 2009 to March 2010	Joint Commissioner (Appeal V)
	Demand and Penalty under MVAT act.	0.71	April 2009 to March 2010	Joint Commissioner (Appeal V)
	Demand and Penalty under MVAT act.	22.06	April 2010 to March 2011	Joint Commissioner (Appeal V)
	Demand and Penalty under CST Act	2.59	April 2010 to March 2011	Joint Commissioner (Appeal V)
	Demand under CST Act	6.28	April 2011 to March 2012	Joint Commissioner (Appeal V)
	Demand under MVAT Act	7.85	April 2011 to March 2012	Joint Commissioner (Appeal V)
	Demand and Penalty under MVAT Act	10.64	April 2012 to March 2013	Deputy Commissioner, Sales Tax
	Demand under MVAT Act	1.66	April 2012 to March 2013	Deputy Commissioner, Sales Tax
Income Tax Act, 1961	Demand under Section 143(3)	4.04	FY 2003-04	High Court
	Demand under Section 143(3)	12.8	FY 2006-07	Income Tax Appellate Tribunal
	Demand under Section 143(3)	0.46	FY 2007-08	Income Tax Appellate Tribunal
	TDS Assessment order u/s 201/201(A)	0.14	January 2007 to March 2009	Commissioner of Income Tax (Appeals) / TDS Officers
	TDS (TRACES)	0.31	April 2011 to March 2017	TDS Officers
	Demand under section 143(3)	1.23	FY 2009-10	Commissioner of Income Tax (Appeals)
	TDS Assessment order u/s 201/201(A)	54.25	FY 2009-10	Commissioner of Income Tax (Appeals) / TDS Officers
	Demand under Section 143(3)	0.62	FY 2011-12	Commissioner of Income Tax (Appeals)
	Demand under Section 143(3)	67.30	FY 2012-13	Commissioner of Income Tax (Appeals)

Note: Out of the above, amount paid under protest by the Company for VAT and Income-tax is ₹ 2.81 Crore and ₹ 16.13 Crore respectively.

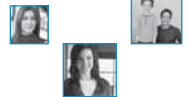


- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, or dues to debenture holders.
- (ix) The Company has neither raised money by way of public issue offer nor has obtained any term loans during the year. Therefore, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) According to the information and explanations given to us, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us and based on our examination of the records of the company, transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable. The details of such related party transaction have been disclosed in the Financial Statements as required under Indian Accounting Standards (Ind AS) 24, Related Party Disclosures specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Haribhakti & Co. LLP**  
*Chartered Accountants*  
ICAI Firm Registration No.103523W /W100048

**Bhavik L. Shah**  
*Partner*  
Membership No. 122071

Place : Mumbai  
Date : May 04, 2017



## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Wockhardt Limited on the standalone Ind AS financial statements for the year ended March 31, 2017]

### **Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Wockhardt Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). 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 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 Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 over financial reporting was 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 system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes 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 Ind AS 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 Ind AS financial statements.



### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **Haribhakti & Co. LLP**

*Chartered Accountants*

ICAI Firm Registration No.103523W /W100048

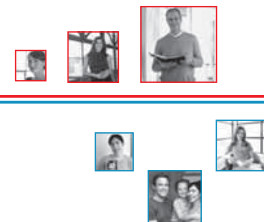
**Bhavik L. Shah**

*Partner*

Membership No. 122071

Place: Mumbai

Date : May 04, 2017



## BALANCE SHEET

As at March 31, 2017

(All amounts in crore of Indian Rupees unless otherwise stated)

	Notes	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, Plant and Equipment	4	1,437.90	1,377.93	1,069.27
Capital work-in-progress	5	665.34	663.60	792.16
Intangible assets	6	26.61	23.87	25.89
Financial assets				
Investments in subsidiaries	7	296.77	296.77	296.77
Other Investments	7	0.45	0.45	0.45
Non-current Financial assets	8	57.65	45.35	135.29
Deferred tax assets (net)	20	58.01	13.58	-
Other non-current assets	9	110.11	140.95	130.03
		<b>2,652.84</b>	2,562.50	2,449.86
<b>CURRENT ASSETS</b>				
Inventories	10	534.72	534.81	524.43
Financial Assets				
Trade receivables	11	342.83	270.56	188.28
Cash and cash equivalents	12	23.59	22.47	636.48
Bank balance (other than above)	12	636.19	812.92	42.01
Loans given	13	9.22	18.27	14.41
Other Current Financial assets	14	60.00	123.17	4.66
Current Tax Assets (Net)		87.24	87.72	83.77
Other current assets	15	190.22	151.43	133.76
		<b>1,884.01</b>	2,021.35	1,627.80
<b>TOTAL</b>		<b>4,536.85</b>	4,583.85	4,077.66
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity Share capital	16	55.27	55.25	55.04
Other Equity	17	1,164.05	1,112.71	1,119.31
		<b>1,219.32</b>	1,167.96	1,174.35
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Financial Liabilities				
Borrowings	18	1,282.62	1,432.84	809.88
Provisions	19	46.13	38.58	33.48
Deferred tax liabilities (net)	20	-	-	14.56
Other non-current liabilities	21	426.66	651.32	-
		<b>1,755.41</b>	2,122.74	857.92
<b>CURRENT LIABILITIES</b>				
Financial Liabilities				
Borrowings	22	659.63	550.03	270.17
Trade payables	23	346.35	332.50	344.40
Other financial liabilities	24	304.40	146.82	121.66
Other current liabilities	25	216.48	232.91	1,282.54
Provisions	26	35.26	30.89	26.62
		<b>1,562.12</b>	1,293.15	2,045.39
<b>TOTAL</b>		<b>4,536.85</b>	4,583.85	4,077.66
Significant accounting policies	3			
The accompanying notes form an integral part of these Financial Statements.				

As per our attached report of even date

### For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W/W100048

### Bhavik L. Shah

Partner

Membership No. 122071

Place : Mumbai

Date : May 04, 2017

**Narendra Singh**  
Company Secretary

**Manas Datta**  
Chief Financial Officer

For and on behalf of the Board of Directors

**H. F. Khorakiwala**  
Chairman  
DIN: 00045608

**Huzaifa Khorakiwala**  
Executive Director  
DIN: 02191870

**Murtaza Khorakiwala**  
Managing Director  
DIN: 00102650

**Shekhar Datta**  
DIN: 00045591

**Aman Mehta**  
DIN: 00009364

**D. S. Brar**  
DIN: 00068502

**Sanjaya Baru**  
DIN: 05344208

**Tasneem Mehta**  
DIN: 05009664

**Baldev Raj Arora**  
DIN: 00194168

**Vinesh Kumar Jairath**  
DIN: 00391684

Directors





## STATEMENT OF PROFIT AND LOSS

For the Year Ended March 31, 2017

(All amounts in crore of Indian Rupees unless otherwise stated)

	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>REVENUE</b>			
Revenue from operations	27	<b>2,297.52</b>	2,216.53
Other income	28	<b>248.31</b>	61.50
<b>TOTAL</b>		<b>2,545.83</b>	2,278.03
<b>EXPENSES</b>			
Cost of materials consumed		<b>535.22</b>	482.80
Purchases of stock-in-trade	41	<b>428.66</b>	436.40
Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	<b>(14.32)</b>	(13.57)
Employee benefits expense	30	<b>523.22</b>	473.73
Finance costs	31	<b>168.72</b>	107.86
Depreciation and amortisation expense	4 & 6	<b>105.66</b>	99.08
Exchange fluctuation loss/(gain), net	53	<b>(11.40)</b>	7.22
Other expenses	32	<b>691.29</b>	704.03
<b>TOTAL</b>		<b>2,427.05</b>	2,297.55
<b>PROFIT/(LOSS) BEFORE TAX</b>			
		<b>118.78</b>	(19.52)
Tax expense:	20		
Current tax		<b>(25.30)</b>	-
Deferred tax credit/(charge)		<b>43.64</b>	27.86
<b>PROFIT AFTER TAX</b>			
		<b>137.12</b>	8.34
<b>Other Comprehensive Income</b>			
Items that will not be not reclassified to profit or loss (Consisting of re-measurement of net defined benefit (liability)/asset)		<b>(2.40)</b>	(0.81)
Income tax relating to items that will not be reclassified to profit or loss		<b>0.79</b>	0.27
<b>Other Comprehensive Income (Net of Tax)</b>			
		<b>(1.61)</b>	(0.54)
<b>TOTAL COMPREHENSIVE INCOME</b>			
		<b>135.51</b>	7.80
Earnings per equity share of face value of ₹ 5 each			
Basic ₹	33	<b>12.40</b>	0.75
Diluted ₹	33	<b>12.26</b>	0.75
Significant accounting policies			
	3		
The accompanying notes form an integral part of these Financial Statements.			

As per our attached report of even date

### For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W/W100048

#### Bhavik L. Shah

Partner

Membership No. 122071

Place : Mumbai

Date : May 04, 2017

#### Narendra Singh

Company Secretary

#### Manas Datta

Chief Financial Officer

For and on behalf of the Board of Directors

#### H. F. Khorakiwala

Chairman

DIN: 00045608

#### Huzaifa Khorakiwala

Executive Director

DIN: 02191870

#### Murtaza Khorakiwala

Managing Director

DIN: 00102650

#### Shekhar Datta

DIN: 00045591

#### Aman Mehta

DIN: 00009364

#### D. S. Brar

DIN: 00068502

#### Sanjaya Baru

DIN: 05344208

#### Tasneem Mehta

DIN: 05009664

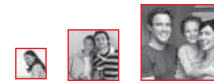
#### Baldev Raj Arora

DIN: 00194168

#### Vinesh Kumar Jairath

DIN: 00391684

Directors



## STATEMENT OF CHANGES IN EQUITY

For the Year Ended March 31, 2017

(All amounts in crore of Indian Rupees unless otherwise stated)

### Equity Share Capital

Particulars	As at April 01, 2015	Changes in equity share capital during the year	As at March 31, 2016	Changes in equity share capital during the year	As at March 31, 2017
	55.04	0.21	55.25	0.02	55.27

### Other equity

	Reserves & Surplus								Total
	Capital Reserves		Capital Redemption Reserve	Securities Premium	Share Options Outstanding Account	General Reserves	Other reserves	Retained Earnings	
	Capital Reserves (other than capital contribution)	Capital Contribution							
<b>Balance as on April 1, 2015</b>	<b>172.78</b>	<b>43.96</b>	<b>489.35</b>	<b>29.01</b>	<b>45.76</b>	<b>253.69</b>	<b>-</b>	<b>84.76</b>	<b>1,119.31</b>
Profit/(Loss) for the year	-	-	-	-	-	-	-	8.34	8.34
Other Comprehensive income for the year (Re-measurement of net defined benefit liability / asset)	-	-	-	-	-	-	-	(0.54)	(0.54)
<b>Total comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7.80</b>	<b>7.80</b>
Net additions on ESOP options	-	-	-	18.39	(17.11)	6.14	-	-	7.42
Net movement in Foreign Currency Monetary Items Translation Difference Account (FCMITDA)	-	-	-	-	-	-	(21.82)	-	(21.82)
<b>Balance as on March 31, 2016</b>	<b>172.78</b>	<b>43.96</b>	<b>489.35</b>	<b>47.40</b>	<b>28.65</b>	<b>259.83</b>	<b>(21.82)</b>	<b>92.56</b>	<b>1,112.71</b>
Profit/(Loss) for the year	-	-	-	-	-	-	-	137.12	137.12
Other Comprehensive income for the year (Re-measurement of net defined benefit liability / asset)	-	-	-	-	-	-	-	(1.61)	(1.61)
<b>Total comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>135.51</b>	<b>135.51</b>
Net additions on ESOP options	-	-	-	3.08	8.36	-	-	-	11.44
Net movement in Foreign Currency Monetary Items Translation Difference Account (FCMITDA)	-	-	-	-	-	-	14.94	-	14.94
Dividend paid	-	-	-	-	-	-	-	(110.55)	(110.55)
<b>Balance as on March 31, 2017</b>	<b>172.78</b>	<b>43.96</b>	<b>489.35</b>	<b>50.48</b>	<b>37.01</b>	<b>259.83</b>	<b>(6.88)</b>	<b>117.52</b>	<b>1,164.05</b>

#### Notes: Nature and purpose of reserves:

##### Capital Reserves (other than capital contribution)

The reserve comprises of reserve created on amalgamation of the subsidiaries with the Company and redemption of certain preference shares at 25% of the face value pursuant to modification in the terms of issue.

##### Capital redemption reserve

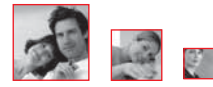
Capital redemption reserve was created during redemption of preference shares out of the profits of the Company in accordance with the requirements of Companies Act.

##### Capital Contribution

Under Ind AS, preference shares have been measured at fair value at inception with reference to market rates and the difference to the extent pertaining to the promoters have been recognised as capital contribution.

##### Securities premium

Securities premium is used to record the premium received on issue of shares. It shall be utilised in accordance with the provisions of the Companies Act, 2013.



**Share Options Outstanding Account**

The Company has adopted various equity-settled share based payment plans for certain categories of employees. Refer Note 46 for further details.

**Foreign Currency Monetary Items Translation Difference Account (FCMITDA)**

Under previous GAAP, paragraph 46A of Accounting Standard for 'The Effects of Changes in Foreign Exchange Rates' (AS 11) provided an alternative accounting treatment whereby exchange differences arising on long term foreign currency monetary items relating to depreciable asset are adjusted in fixed assets and depreciated over the remaining life of such assets and in other cases are accumulated in Foreign Currency Monetary item Translation Difference Account (FCMITDA) to be amortised over balance period of long term asset/liability. Ind AS 101 includes an optional exemption that allows a first-time adopter to continue the above accounting treatment in respect of the long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period.

**General Reserve**

General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as part of dividend.

As per our attached report of even date

**For Haribhakti & Co. LLP**

*Chartered Accountants*

ICAI Firm Registration No. 103523W/W100048

**Bhavik L. Shah**

*Partner*

Membership No. 122071

Place : Mumbai

Date : May 04, 2017

**Narendra Singh**

*Company Secretary*

**Manas Datta**

*Chief Financial Officer*

For and on behalf of the Board of Directors

**H. F. Khorakiwala**

*Chairman*

DIN: 00045608

**Huzaifa Khorakiwala**

*Executive Director*

DIN: 02191870

**Murtaza Khorakiwala**

*Managing Director*

DIN: 00102650

**Shekhar Datta**

DIN: 00045591

**Aman Mehta**

DIN: 00009364

**D. S. Brar**

DIN: 00068502

**Sanjaya Baru**

DIN: 05344208

**Tasneem Mehta**

DIN: 05009664

**Baldev Raj Arora**

DIN: 00194168

**Vinesh Kumar Jairath**

DIN: 00391684

Directors



## CASH FLOW STATEMENT

For the Year Ended March 31, 2017

(All amounts in crore of Indian Rupees unless otherwise stated)

	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES:</b>		
Net profit/(loss) before taxation	118.78	(19.52)
Adjustments for:		
Depreciation and amortisation expense	105.66	99.08
Liabilities no more payable	(4.38)	(6.82)
Advances no more recoverable	0.08	0.05
Allowance for credit loss	(0.27)	(3.73)
Bad Debts written off	3.68	–
Exchange fluctuation loss/(gain), net	(11.40)	7.22
Loss on assets sold/write off of fixed assets (net)	0.30	4.03
Finance costs	168.72	107.86
Interest income	(60.50)	(50.12)
Fair valuation impact on certain financial instruments	3.33	2.97
Dividend income	(171.11)	–
Guarantee fees	(9.36)	(2.11)
Expense on Employee Stock Option Scheme (ESOS)	10.97	7.20
<b>Operating profit before Working Capital changes</b>	<b>154.50</b>	146.11
Movement in working capital:		
(Increase) / Decrease in Inventories	1.69	(11.98)
(Increase) / Decrease in Trade receivables	(77.64)	(77.25)
(Increase) / Decrease in Loans and Advances and other assets	(85.85)	(25.72)
Increase / (Decrease) in Liabilities and provisions	(224.22)	(380.91)
Increase / (Decrease) in Trade payables	21.51	(9.48)
<b>Cash from/ (used in) Operations</b>	<b>(210.01)</b>	(359.23)
Income taxes paid	(25.01)	(3.95)
<b>Net cash used in Operating Activities</b>	<b>(A) (235.02)</b>	(363.18)
<b>CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets and Additions to Capital work in progress	(162.37)	(280.74)
Proceeds relating to fixed assets	1.87	0.11
Repayment by / (Loans to) companies / subsidiaries	9.05	(3.86)
Guarantee commission received	108.89	–
Margin money under lien and Fixed deposits (other than cash and cash equivalents)	176.99	(767.81)
Interest received	63.74	37.35
Dividend received (Refer note 28)	171.11	–
<b>Net cash from/(used in) Investing Activities</b>	<b>(B) 369.28</b>	(1,014.95)



		For the year ended March 31, 2017	For the year ended March 31, 2016
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES:</b>			
Proceeds from Issuance of share capital		<b>0.02</b>	0.21
Premium on issue of shares		-	0.20
Proceeds from long - term borrowings		-	567.87
Repayment of long - term borrowings		<b>(1.55)</b>	(1.76)
Short - term borrowings (net)		<b>119.58</b>	267.92
Finance costs		<b>(140.93)</b>	(70.35)
Dividend paid (including dividend distribution tax)		<b>(110.18)</b>	(0.20)
<b>Net cash from/(used in) Financing Activities</b>	<b>(C)</b>	<b>(133.06)</b>	763.89
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(A+B+C)</b>	<b>1.20</b>	(614.24)
<b>CASH AND CASH EQUIVALENTS, at beginning of year</b>		<b>22.47</b>	636.48
Unrealised gain/(loss) on Foreign Currency Cash and Cash equivalents		<b>(0.08)</b>	0.23
<b>CASH AND CASH EQUIVALENTS, at end of year</b>		<b>23.59</b>	22.47
<b>Component of cash and cash equivalents, as at March 31, 2017</b>			
Cash		<b>0.19</b>	0.10
Balance with banks:			
– on current account (excluding unpaid dividend accounts)		<b>21.37</b>	20.71
– on unpaid dividend accounts (Refer note 3 below)		<b>2.03</b>	1.66
		<b>23.59</b>	22.47

1. All figures in bracket are outflow.
2. Income taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
3. These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities.

As per our attached report of even date

**For Haribhakti & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No. 103523W/W100048

**Bhavik L. Shah**  
Partner  
Membership No. 122071  
Place : Mumbai  
Date : May 04, 2017

**Narendra Singh**  
Company Secretary

**Manas Datta**  
Chief Financial Officer

For and on behalf of the Board of Directors

**H. F. Khorakiwala**  
Chairman  
DIN: 00045608

**Huzaifa Khorakiwala**  
Executive Director  
DIN: 02191870

**Murtaza Khorakiwala**  
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**Tasneem Mehta**  
DIN: 05009664

**Baldev Raj Arora**  
DIN: 00194168

**Vinesh Kumar Jairath**  
DIN: 00391684

Directors



## NOTES TO FINANCIAL STATEMENTS

For the Year Ended March 31, 2017

(All amounts in crore of Indian Rupees unless otherwise stated)

### 1. CORPORATE INFORMATION

Wockhardt Limited (the 'Company') is a public limited company incorporated in India and has its registered office at D-4, MIDC, Chikalthana, Maharashtra, India.

The Company and its subsidiaries (the 'Group') is a Global Pharmaceutical and Biotech company with presence in USA, UK, Ireland, Mexico, Russia and many other countries. It has manufacturing and research facilities in India, USA & UK and a manufacturing facility in Ireland. The Company has a significant presence in USA, Europe and India. The financial statements were approved by the Board of Directors and authorised for issue on May 04, 2017.

### 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

#### A. Statement of compliance

The Financial Statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with the Section 133 of the Companies Act, 2013 ("the 2013 Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These financial statements are the Company's first Ind AS financial statements and are covered by Ind AS 101, First-time adoption of Indian Accounting Standards (Ind AS 101). The transition to Ind AS has been carried out from the accounting principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP") which is considered as the "Previous GAAP" for purposes of Ind AS 101.

#### B. Basis of preparation

The Financial Statements have been prepared on accrual basis under the historical cost convention except for the following material items in the statement of financial position:

- certain financial assets and liabilities (including derivative financial instruments) that are measured at fair value
- share-based payments
- Certain Property, Plant and equipments measured at fair value which has been considered as deemed cost

#### C. Use of Estimates and Judgments

The preparation of the financial statements in conformity with Ind AS requires the management to make judgements and estimates about the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the judgements and estimates used in preparation of the Financial Statements are prudent and reasonable.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### Critical judgements in applying accounting policies:

The following are the critical judgements, apart from those involving estimations, that the management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

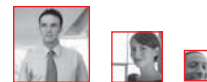
##### (i) Day 1 gain/loss on initial measurement:

As part of the Corporate Debt Restructuring Scheme in 2008-09, the Company has issued preference shares at below market rate in lieu of the then outstanding interest accrued and net derivative losses. The fair value of these preference shares at initial measurement is computed as the present value of all future cash payments discounted using the prevailing market rate of interest for a similar instrument (similar as to currency, term, type of interest rate, credit risk and other factors). The difference between the fair value and transaction amount at initial measurement has been recorded as day 1 gain in retained earnings and capital contribution, as the fair value has been computed based on valuation techniques, which uses data from observable markets. Significant judgement is involved in assessing whether all the data used for valuation has been derived from observable markets and it has been determined that use of certain unobservable data (minor adjustments to observable data to match the term, interest rate, credit risk and other factors of preference shares) in these valuations are insignificant to the entire day 1 gain. Accordingly, the entire day 1 gain on initial measurement has been recognized upfront (to retained earnings) and not deferred.

##### (ii) Leasehold land:

The Company has entered into several arrangements for lease of land from Government entities and other parties. Significant judgement is involved in assessing whether such arrangements are in the nature of finance or operating lease. In making such an assessment, the Company considers various factors which includes whether the present value of minimum lease payments amounts to at least substantially all of the fair value of lease assets, renewal terms, purchase option, sub-lease options etc. Based on evaluation of above factors, leases are evaluated on case to case basis for the purpose of treating as in the nature of finance lease.





Key sources of estimation uncertainty:

(i) *Impairment of trade receivables:*

The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(ii) *Legal and other disputes:*

The Company provides for anticipated settlement costs where an outflow of resources is considered probable and a reliable estimate may be made of the likely outcome of the dispute and legal and other expenses arising from claims against the Company. These estimates take into account the specific circumstances of each dispute and relevant external advice are inherently judgemental and could change substantially over time as new facts emerge and each dispute progresses.

(iii) *Post-employment benefits*

The costs of providing pensions and other post-employment benefits are charged to the income statement in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by management. These assumptions include future earnings and pension increases, discount rates, expected long-term rates of return on assets and mortality rates.

(iv) *Sales returns and rebates:*

Revenue is recognised when title and risk of loss is passed to the customer, reliable estimates can be made of relevant deductions and all relevant obligations have been fulfilled, such that the earnings process is regarded as being complete.

Gross turnover is reduced by rebates, discounts, allowances and product returns given or expected to be given, which vary by product arrangements and buying groups. These arrangements with purchasing organisations are dependent upon the submission of claims some time after the initial recognition of the sale. Accruals are made at the time of sale for the estimated rebates, discounts or allowances payable or returns to be made, based on available market information and historical experience.

Because the amounts are estimated they may not fully reflect the final outcome, and the amounts are subject to change dependent upon, amongst other things, the types of buying group and product sales mix.

The level of accrual for rebates and returns is reviewed and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. Market conditions are evaluated using wholesaler and other third-party analyses, market research data and internally generated information.

Future events could cause the assumptions on which the accruals are based to change, which could affect the future results of the Company.

(v) Assumptions are also made by the management with respect to valuation of inventories, share based payments, evaluation of recoverability of deferred tax, contingencies, determination of useful lives of Property, plant and equipments and measurement of recoverable amounts of cash generation units.

**3. SIGNIFICANT ACCOUNTING POLICIES:**

**a) Property, Plant and Equipment and Depreciation**

*I. Recognition and Measurement:*

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the Company incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in Statement of Profit and Loss. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.



II. *Subsequent expenditure*

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit and Loss.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

III. *Depreciation and amortisation*

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation is provided, using the straight line method, pro-rata to the period of use of assets, in accordance with the requirements of Schedule II of the Companies Act, 2013, based on the useful lives of the assets determined through technical assessment by the management. The estimated useful lives followed by the Company are as follows:

Assets	Estimated useful life
Leasehold land	Over the period of lease
Buildings	30 - 61 years
Plant and Machinery	15 - 21 years
Furniture and Fixtures	16 years
Office Equipments	4 years
Information Technology Equipments	3 - 5 years
Vehicles	3 - 5 years

Fixed assets whose aggregate cost is ₹ 5,000 or less are depreciated fully in the year of acquisition.

**b) Intangible assets**

I. *Recognition and Measurement:*

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises of its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use.

Expenditure on development eligible for capitalisation are carried as 'Intangible assets under development' where such assets are not yet ready for their intended use.

II. *Subsequent Expenditure*

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

III. *Amortisation*

Intangible assets are amortised over their estimated useful life on Straight Line Method. The estimated useful lives followed by the Company upto 10 years

The estimated useful lives of intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern, if any.

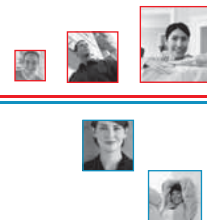
**c) Research and Development**

Research costs are expensed as incurred. Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. The carrying value of development costs is reviewed for impairment when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

**d) Impairment of assets**

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss.



The recoverable amount is the greater of the fair value less cost of disposal and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

**e) Foreign Currency Transactions / Translations:**

- i) Transactions in foreign currencies are translated to the reporting currency at exchange rates at the dates of the transactions.
- ii) Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the reporting currency at the exchange rate at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.
- iii) Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in the Statement of Profit and Loss in the period in which they arise.
- iv) The Company has availed an option of continuing the policy adopted for exchange differences arising from translation of long term foreign currency monetary items outstanding as on March 31, 2016. Accordingly, foreign exchange gain/losses on long term foreign currency monetary items relating to the acquisition of depreciable assets are added to or deducted from the cost of such assets and in other cases, such gains or losses are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" to be amortised over the remaining life of the concerned monetary item.

**f) Financial Instruments**

**I. Financial assets**

**(i) Classification of financial assets**

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

*Debt instruments at amortised cost:*

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

*Debt instruments at 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 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 or 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 EIR method. The Company does not have any instruments classified as fair value through other comprehensive income (FVOCI).

*Debt instruments measured at 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.



*Equity investments:*

Investment in subsidiaries, associates and joint ventures are measured at cost.

All other equity investments which are in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

The Company does not have any equity investments designated at FVOCI.

*Derivative financial instruments:*

The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

(ii) Initial recognition and measurement

All financial assets are recognised initially at fair value and for those instruments that are not subsequently measured at FVTPL, plus/minus transaction costs that are attributable to the acquisition of the financial assets.

Trade receivables are carried at original invoice price as the sales arrangements do not contain any significant financing component. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

(iii) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company 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 or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - (a) the Company has transferred substantially all the risks and rewards of the asset, or
  - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates whether it has transferred substantially all the risks and rewards of ownership. In such cases, the financial asset is derecognised. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

(iv) Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:



- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, historical observed default rates are updated and changes in the forward-looking estimates are analysed.

## II. Financial Liabilities and equity instruments:

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### (i) Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

### (ii) Financial liabilities: - Classification:

Financial liabilities are classified as either 'at FVTPL' or 'other financial liabilities'. FVTPL liabilities consist of derivative financial instruments, wherein the gains/losses arising from remeasurement of these instruments is recognized in the Statement of Profit and Loss. Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

### (iii) Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and for those instruments that are not subsequently measured at FVTPL, plus/minus transaction costs that are attributable to issue of these instruments.

### (iv) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

## III. Fair value:

The Company determines the fair value of its financial instruments on the basis of the following hierarchy:

- (a) Level 1: The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date. Examples include exchange-traded commodity derivatives and other financial assets such as investments in equity and debt securities which are listed in a recognized stock exchange.
- (b) Level 2: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions. For example, the fair value of forward exchange contracts, currency swaps and interest rate swaps is determined by discounting estimated future cash flows using a risk-free interest rate.
- (c) Level 3: The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

## IV. Accounting for day 1 differences:

If the fair value of the financial asset at initial recognition differs from the transaction price, this difference if it is not consideration for goods or services or a deemed capital contribution or deemed distribution, is accounted as follows:



- if the fair value is evidenced by a quoted price in an active market for an identical asset or liability (ie a Level 1 input) or based on a valuation technique that uses only data from observable market, the entire day 1 gain/loss is recorded immediately in the Statement of Profit and Loss; or
- in all other cases, the difference between the fair value at initial recognition and the transaction price is deferred. After initial recognition, the deferred difference is recorded as gain or loss in the Statement of Profit and Loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability

In case the difference represents:

- (i) deemed capital contribution - it is recorded as an Investment in Subsidiary,
- (ii) deemed distribution - It is recorded in equity
- (iii) deemed consideration for goods and services - it is recorded as an asset or a liability. This amount is amortized/accredited to the Statement of Profit and Loss as per the substance of the arrangement (generally straight-line basis over the duration of the arrangement)

V. Embedded derivatives

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in Statement of Profit and Loss, unless designated as effective hedging instruments. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows.

VI. Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

VII. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**g) Business combinations**

- i) The Company accounts for each business combination by applying the acquisition method. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.
- ii) Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.
- iii) The Company measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount of the identifiable assets acquired and liabilities (including contingent liabilities in case such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably) assumed. When the fair value of the net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, a bargain purchase gain is recognized as capital reserve.
- iv) Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to settlement of pre-existing relationships.
- v) 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.



- vi) Transaction costs that the Company incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.
- vii) On an acquisition-by-acquisition basis, the Company recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.
- viii) Any goodwill that arises on account of such business combination is tested annually for impairment.
- ix) Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders. The difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity.

#### **h) Income tax**

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates items recognised directly in equity or in Other Comprehensive Income.

##### *Current tax*

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured at the amount expected to be recovered from or paid to the taxation authorities, using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends if any.

Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognised amounts; and
- b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

##### *Deferred tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

#### **i) Inventories**

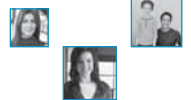
All inventories are valued at moving weighted average price other than finished goods, which are valued on quarterly moving average price. Finished goods and Work in progress is computed based on respective moving weighted average price of procured materials and appropriate share of labour and other manufacturing overheads.

Inventories are valued at cost or net realizable value, whichever is lower. Cost also includes all charges incurred for bringing the inventories to their present location and condition. Excise and customs duty accrued on production or import of goods, as applicable, is included in the valuation of finished goods.

Inventories of stores and spare parts are valued at cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.





**j) Revenue Recognition**

*Sale of goods*

Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

Revenue from the sale of goods includes excise duty and is measured at the fair value of the consideration received or receivable, net of returns, sales tax and applicable trade discounts and allowances, chargebacks and rebates. Revenue includes shipping and handling costs billed to the customer. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreements.

*Sale of Services*

Revenues from services is recognized in accordance with the terms of the relevant agreement(s) as generally accepted and agreed with the customers.

*Export Incentive*

Duty drawback, Merchandise Exports from India Scheme (MEIS) and Focus marketing scheme (FMS) benefits are recognized at the time of exports and the benefits in respect of advance license received by the Company against export made by it are recognized as and when goods are imported against them.

*Royalties*

Revenue is recognized on an accrual basis in accordance with the terms of the relevant agreement.

Revenue is recognised when it is reasonable to expect that the ultimate collection will be made.

*Insurance claims*

Insurance claims are accounted on acceptance of the claim and when it can be measured reasonably, and it is reasonable to expect ultimate collection.

Interest income is recognised with reference to the Effective Interest Rate method. Dividend from investments is recognised as revenue when right to receive is established.

**k) Employee Benefits**

*Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

*Defined contribution plans*

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

*Defined benefit plans*

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability/asset, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI). Net interest expense/income on the net defined liability/asset is computed by applying the discount rate, used to measure the net defined liability/asset. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.



#### *Other long-term employee benefits*

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurement are recognised in Statement of Profit and Loss in the period in which they arise.

#### **l) Share-based payment transactions**

Employees Stock Options Plans ("ESOPs"): The grant date fair value of options granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognized in connection with share based payment transaction is presented as a separate component in equity under "Share Options Outstanding Account". The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest.

#### **m) Leases**

##### *Determination of lease arrangement*

An arrangement, which is not in the legal form of a lease, is accounted for as a lease, if:

- a) fulfilment of the arrangement is dependent on the use of a specific asset or assets; and
- b) the arrangement conveys a right to use the asset.

At inception of an arrangement, the Company determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If it is impracticable to separate the payments reliably, then a finance lease receivable is recognised at an amount equal to the fair value of the underlying asset; subsequently, the receivable is reduced as payments are made and a finance income is recognised using the interest rate implicit in the lease.

##### *Finance Lease*

Agreements are classified as finance leases, if substantially all the risks and rewards incidental to ownership of the leased asset is transferred to the lessee.

Assets given under finance leases are recognised as a receivable at an amount equal to the net investment in the lease. Finance income is allocated over the lease term on a systematic and rational basis. This income allocation is based on a pattern reflecting a constant periodic return on the net investment in the finance lease.

Minimum lease payments, for assets taken under finance lease, are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

##### *Operating Lease*

Agreements which are not classified as finance leases are considered as operating lease.

Payments made under operating leases are recognised in Statement of Profit and Loss on a straight line basis, unless the escalation clauses are in line with the expected inflation at the inception of the respective lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

#### **n) Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed in the Notes. Contingent liabilities are disclosed for (1) possible obligations which will be confirmed only by future events not wholly within the control of the Company or (2) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised in the financial statements as this may result in the recognition of income that may never be realised. Contingent assets (if any) are disclosed in the notes to the financial statements.



**o) Borrowing costs**

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs include interest costs measured at EIR and exchange differences arising from foreign currency borrowings (other than long term foreign currency borrowings outstanding as of March 31, 2016) to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, allocated to qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

All other borrowing costs are recognised as an expense in the period which they are incurred.

**p) Government Grants**

Government grants are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant;

- In case of capital grants, they are then recognised in Statement of Profit and Loss as other income on a systematic basis over the useful life of the asset.
- In case of grants that compensate the Company for expenses incurred are recognised in Statement of Profit and Loss on a systematic basis in the periods in which the expenses are recognised.

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same.

**q) Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

**r) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

**s) Operating cycle**

All assets and liabilities have been classified as current or non-current as per each Company's normal operating cycle and other criteria set out in the Schedule III to the Act.



#### 4. PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION/AMORTISATION				NET BLOCK		
	As at 1.4.2016	Additions	Deduction/ Other Adjustments	As at 31.03.2017	As at 1.4.2016	For the Year	Deduction/ Other Adjustments	As at 31.03.2017	As at 31.03.2017	As at 31.3.2016	
Freehold Land (Refer note (a) below)	98.91	–	–	<b>98.91</b>	–	–	–	–	<b>98.91</b>	98.91	
Leasehold land (Refer note (a) below)	99.24	–	–	<b>99.24</b>	0.93	1.62	–	<b>2.55</b>	<b>96.69</b>	98.31	
Buildings	239.63	27.56	0.62	<b>266.57</b>	52.94	8.22	0.26	<b>60.90</b>	<b>205.67</b>	186.69	
Plant and Equipment	1,512.75	128.23	3.83	<b>1,637.15</b>	547.23	81.69	3.00	<b>625.92</b>	<b>1,011.23</b>	965.52	
Furniture and Fixtures	25.10	2.97	0.05	<b>28.02</b>	13.34	1.55	0.05	<b>14.84</b>	<b>13.18</b>	11.76	
Vehicles	6.60	0.32	–	<b>6.92</b>	5.00	0.86	–	<b>5.86</b>	<b>1.06</b>	1.60	
Office equipment	10.17	0.55	0.02	<b>10.70</b>	8.03	1.00	0.02	<b>9.01</b>	<b>1.69</b>	2.14	
Information Technology Equipments	53.28	3.55	0.03	<b>56.80</b>	40.28	7.08	0.03	<b>47.33</b>	<b>9.47</b>	13.00	
<b>TOTAL</b>	<b>2,045.68</b>	<b>163.18</b>	<b>4.55</b>	<b>2,204.31</b>	<b>667.75</b>	<b>102.02</b>	<b>3.36</b>	<b>766.41</b>	<b>1,437.90</b>	<b>1,377.93</b>	

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION/AMORTISATION				NET BLOCK		
	As at 1.4.2015	Additions	Deduction/ Other Adjustments	As at 31.03.2016	As at 1.4.2015	For the Year	Deduction/ Other Adjustments	As at 31.03.2016	As at 31.03.2016	As at 31.3.2015	
Freehold Land (Refer note (a) below)	98.97	–	0.06	<b>98.91</b>	–	–	–	–	<b>98.91</b>	98.97	
Leasehold land (Refer note (a) below)	72.07	28.33	1.16	<b>99.24</b>	–	1.17	0.24	<b>0.93</b>	<b>98.31</b>	72.07	
Buildings	207.13	32.50	–	<b>239.63</b>	45.61	7.33	–	<b>52.94</b>	<b>186.69</b>	161.52	
Plant and Equipment	1,195.10	329.11	11.46	<b>1,512.75</b>	481.73	72.84	7.34	<b>547.23</b>	<b>965.52</b>	713.37	
Furniture and Fixtures	22.72	2.48	0.10	<b>25.10</b>	11.92	1.49	0.07	<b>13.34</b>	<b>11.76</b>	10.80	
Vehicles	6.23	0.52	0.15	<b>6.60</b>	4.35	0.80	0.15	<b>5.00</b>	<b>1.60</b>	1.88	
Office equipment	8.78	1.46	0.07	<b>10.17</b>	7.19	0.91	0.07	<b>8.03</b>	<b>2.14</b>	1.59	
Information Technology Equipments	43.31	10.73	0.76	<b>53.28</b>	34.24	6.80	0.76	<b>40.28</b>	<b>13.00</b>	9.07	
<b>TOTAL</b>	<b>1,654.31</b>	<b>405.13</b>	<b>13.76</b>	<b>2,045.68</b>	<b>585.04</b>	<b>91.34</b>	<b>8.63</b>	<b>667.75</b>	<b>1,377.93</b>	<b>1,069.27</b>	

#### Notes:

- a) The Company has in accordance with provisions of Ind AS 101 First time adoption of Indian Accounting Standards, considered fair value for certain properties viz. freehold and leasehold land as the deemed cost as on its Opening Balance Sheet on April 01, 2015. Consequently, the impact on Freehold land amounting ₹ 35.91 crore and leasehold land amounting ₹ 65.06 crore being the difference of book value and fair value of these land properties have been credited in the retained earnings as on April 01, 2015. The balance assets have been recomputed as per the requirements of Ind AS retrospectively as applicable
- b) Exchange differences arising on long term foreign currency monetary items relating to depreciable asset adjusted in additions above amounts to ₹ -4.18 crore (Previous year: ₹ 6.96 crore)
- c) Measurement of Fair value
  - i) Fair value hierarchy:

The Fair value of freehold and leasehold land has been determined by external, independent property valuers, having appropriate recognised professional qualifications and experience in the category of the property being valued.

The fair value measurement has been categorised as Level 2 fair value based on the inputs to the valuation technique used.
  - ii) Valuation technique:

Value of the property has been arrived at using market approach using market corroborated inputs. Adjustments have been made for factors specific to the assets valued including location and condition of the assets, the extent to which inputs relate to items that are comparable to the asset and the volume or level of activity in the markets within which the inputs are observed.
- d) Charge has been created against the aforesaid assets for the borrowings taken by the Company (Refer note 18 and 22) and its subsidiary.



## 5. CAPITAL WORK-IN-PROGRESS

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Capital Work-in-progress (Refer Note below)	<b>665.34</b>	663.60	792.16

- a) Addition to Capital Work-In-Progress includes expenditure incurred during construction period pending allocation aggregating ₹ 29.34 crore (Previous Year - ₹ 22.70 crore). These expenses include Employee Cost ₹ 4.90 crore (Previous year - ₹ 4.17 crore), material cost ₹ 0.73 crore (Previous year - ₹ 1.77 crore), depreciation ₹ Nil (Previous year ₹ 0.01 crore), Interest Cost ₹ 5.30 crore (Previous Year - ₹ 0.60 crore) and Other operating cost ₹ 18.41 crore (Previous year - ₹ 16.15 crore) [ Rent ₹ 12.42 crore (Previous year: ₹ 6.85 crore), Rates and taxes ₹ 0.03 crore (Previous year - ₹ 0.13 crore), Repairs and maintenance ₹ 0.71 crore (Previous year - ₹ 0.34 crore), Stores and spare parts consumed ₹ 0.38 crore (Previous year - ₹ 1.19 crore), legal and professional charges ₹ 0.13 crore (Previous year - ₹ 0.66 crore), Utility charges ₹ 3.17 crore (Previous year - ₹ 3.52 crore) and Other general expenses ₹ 1.57 crore (Previous year - ₹ 3.46 crore)].
- b) Charge has been created against the aforesaid assets for the borrowings taken by the Company (Refer note 18 and 22) and its subsidiary.

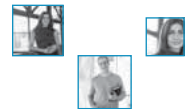
## 6. INTANGIBLE ASSETS

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 1.4.2016	Additions	Deduction/ Other Adjustments	As at 31.03.2017	As at 1.4.2016	For the Year	Deduction/ Other Adjustments	As at 31.03.2017	As at 31.03.2017	As at 31.3.2016
Trademarks/Technical know-how	121.58	-	-	<b>121.58</b>	121.58	-	-	<b>121.58</b>	-	-
Computer software	38.58	6.38	-	<b>44.96</b>	14.71	3.64	-	<b>18.35</b>	<b>26.61</b>	23.87
<b>TOTAL</b>	<b>160.16</b>	<b>6.38</b>	-	<b>166.54</b>	<b>136.29</b>	<b>3.64</b>	-	<b>139.93</b>	<b>26.61</b>	<b>23.87</b>

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 1.4.2015	Additions	Deduction/ Other Adjustments	As at 31.03.2016	As at 1.4.2015	For the Year	Deduction/ Other Adjustments	As at 31.03.2016	As at 31.03.2016	As at 31.3.2015
Trademarks/Technical know-how	121.58	-	-	<b>121.58</b>	117.25	4.33	-	<b>121.58</b>	-	4.33
Computer software	32.86	5.72	-	<b>38.58</b>	11.30	3.41	-	<b>14.71</b>	<b>23.87</b>	21.56
<b>TOTAL</b>	<b>154.44</b>	<b>5.72</b>	-	<b>160.16</b>	<b>128.55</b>	<b>7.74</b>	-	<b>136.29</b>	<b>23.87</b>	<b>25.89</b>

**Note:** The Company has chosen to value the above as per the requirements of Ind AS retrospectively as applicable.

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>7. NON-CURRENT INVESTMENTS</b>			
<b>A. Investments in subsidiaries:</b>			
<b>a) Investment in Wholly owned subsidiaries at cost</b>			
<b>Unquoted Equity Shares</b>			
1,307,368 (March 31, 2016 - 1,307,368, April 01, 2015 - 1,307,368) Equity shares of Wockhardt Europe Limited of par value £1 each fully paid up (including two fully paid up shares held in the name of nominees of the Company)	<b>8.38</b>	8.38	8.38
27,504,823 (March 31, 2016 - 27,504,823, April 01, 2015 - 27,504,823) Equity shares of Wockhardt UK Holdings Limited [formerly Wockhardt UK Limited] of 1p each fully paid up	<b>75.27</b>	75.27	75.27
2,000,000 (March 31, 2016 - 2,000,000, April 01, 2015 - 2,000,000) Equity Shares of ₹ 10 each fully paid up in Wockhardt Infrastructure Development Limited (including six fully paid-up share of par value held in the name of the nominees of the Company)	<b>3.50</b>	3.50	3.50
	<b>87.15</b>	87.15	87.15



	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>b) Investment in Subsidiary at cost</b>			
<b>Unquoted Equity Shares</b>			
44,600,000 (March 31, 2016 - 44,600,000, April 01, 2015 - 44,600,000) shares of Wockhardt Bio AG (formerly Wockhardt EU Operations (Swiss) AG) of CHF 1 each fully paid up.	<b>209.62</b>	209.62	209.62
	<b>209.62</b>	209.62	209.62
	<b>296.77</b>	296.77	296.77
<b>Aggregate book value of unquoted investments</b>	<b>296.77</b>	296.77	296.77
<b>B. Other Investments - Fair value through Profit or Loss</b>			
<b>Unquoted Equity Shares:</b>			
443,482 (March 31, 2016 - 443,482, April 01, 2015 - 443,482) Equity Shares of Narmada Clean Tech Limited (formerly known as Bharuch Eco-Aqua Infrastructure Limited) of ₹ 10 each fully paid up  (Book value : March 31, 2017- ₹ 0.44 crore, March 31, 2016- ₹ 0.44 crore, April 01, 2015- ₹ 0.44 crore)	<b>0.44</b>	0.44	0.44
6,300 (March 31, 2016 - 6,300, April 01, 2015 - 6,300) Equity Shares of Bharuch Enviro Infrastructure Limited of ₹ 10 each fully paid up  (Book value : March 31, 2017- ₹ 0.01 crore, March 31, 2016- ₹ 0.01 crore, April 01, 2015- ₹ 0.01 crore)	<b>0.01</b>	0.01	0.01
	<b>0.45</b>	0.45	0.45
<b>Aggregate book value of unquoted investments</b>	<b>0.45</b>	0.45	0.45
<b>TOTAL</b>	<b>297.22</b>	297.22	297.22

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>8. NON- CURRENT FINANCIAL ASSETS- At amortised cost</b>			
<b>Security Deposits</b>			
Includes deposits with Related parties ₹ 35.25 crore (March 31, 2016 : ₹ 32.90 crore; April 01, 2015 : ₹ 23.54 crore) -Refer note 45.	<b>47.00</b>	43.62	35.09
<b>Margin money (under Lien)</b>	<b>1.47</b>	1.73	4.83
<b>Guarantee fees receivable from related party (Refer note 45)</b>	<b>9.18</b>	-	95.37
<b>TOTAL</b>	<b>57.65</b>	45.35	135.29



	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>9. OTHER NON-CURRENT ASSETS</b>			
Capital Advances	5.69	28.19	17.12
Security Deposits	14.33	15.57	14.09
Other advances	90.09	97.19	98.82
Includes advance rent with related parties ₹ 32.53 crore (March 31, 2016: ₹ 44.22 crore; April 01, 2015 ₹ 52.95 crore) Also Refer note 45.			
The above advances also include balances with Government authorities amounting ₹ 53.62 crore (March 31, 2016: ₹ 52.26 crore; April 01, 2015 : ₹ 45.13 crore)			
<b>TOTAL</b>	<b>110.11</b>	140.95	130.03

**Note:** The above amounts are net of provisions, if any

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>10. INVENTORIES</b>			
Raw Materials, Packing materials and components	154.73	176.50	180.99
Goods-in transit	10.63	5.79	6.11
	165.36	182.29	187.10
Work-in-progress	69.19	75.03	54.88
	69.19	75.03	54.88
Finished goods	151.76	144.18	171.22
	151.76	144.18	171.22
Stock-in-trade	97.74	84.64	64.13
	97.74	84.64	64.13
Stores and spares	50.67	48.37	46.54
Goods-in transit	-	0.30	0.56
	50.67	48.67	47.10
<b>TOTAL</b>	<b>534.72</b>	534.81	524.43

**Note:** Inventories are valued at cost or net realizable value, whichever is lower.

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>11. TRADE RECEIVABLES</b>			
Unsecured, considered good	357.39	291.98	209.70
Less: Allowance for credit loss	(14.56)	(21.42)	(21.42)
	342.83	270.56	188.28
Unsecured, considered doubtful	49.37	42.78	46.51
Less: Allowance for credit loss	(49.37)	(42.78)	(46.51)
	-	-	-
<b>TOTAL</b>	<b>342.83</b>	270.56	188.28

**Note:** Trade receivables include dues from private companies in which any director is a partner, director or a member ₹ 4.81 crore (March 31, 2016 : ₹ Nil; April 01, 2015 ₹ Nil)





	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>12. CASH AND BANK BALANCES</b>			
<b>Cash and cash equivalents</b>			
<b>Balances with banks</b>			
On current account (includes balances subject to restrictions March 31, 2017 : ₹ Nil; March 31, 2016; ₹ 0.48 crore : April 01, 2015: ₹ 0.10 crore)	21.37	20.71	434.40
Deposit with maturity of less than 3 months	-	-	200.00
Unpaid dividend accounts	2.03	1.66	1.83
	<b>23.40</b>	22.37	636.23
Cash on hand	0.19	0.10	0.25
	<b>23.59</b>	22.47	636.48
<b>Other bank balances</b>			
Deposit with original maturity of less than 3 months (₹ 7.30 crore related to escrow arrangement against purchase of certain fixed assets in earlier year)	-	7.30	-
Deposits with original maturity more than 3 months but less than 12 months (Under Lien- March 31, 2017: ₹ 47.13 Crore; March 31, 2016 : ₹ Nil; April 1, 2015 : ₹ 10.75 crore; ₹ 10.75 crore relates to escrow arrangement against purchase of certain fixed assets as on April 01, 2015)	380.32	801.89	10.94
Deposits with original maturity equal to 12 months (under lien - March 31, 2017 ₹ Nil; March 31, 2016 ; ₹ 0.01 crore; April 01, 2015: ₹ 21.09 crore)	254.61	0.01	21.09
Deposits with original maturity more than 12 months (Under lien : March 31, 2017 : ₹ 0.15 crore; March 31, 2016: ₹ 0.01 crore; April 01, 2015: ₹ 0.15 crore)	0.15	0.01	1.02
Margin money (under lien)	1.11	3.71	8.96
	<b>636.19</b>	812.92	42.01
<b>TOTAL</b>	<b>659.78</b>	835.39	678.49

**Notes:**

a) Short-term deposits are made for varying periods of between one day and three months, depending on the cash requirements of the company, and earn interest at the respective short-term deposit rates.

**b) Disclosure for Specified Bank Notes (SBNs)**

	SBNs			Other denomination notes	Total
	Number of ₹ 1000 currency	Number of ₹ 500 currency	Total		
Closing Balance as at November 8, 2016	337	2,238	0.15	0.07	0.22
Add: Withdrawal from bank accounts	-	-	-	0.39	0.39
Add: Permitted receipts	-	-	-	0.06	0.06
Add: Non-Permitted receipts	-	-	-	-	-
Less: Permitted payments	-	-	-	0.39	0.39
Less: Non-Permitted payments	-	-	-	-	-
Less: Deposited in bank accounts	337	2,238	0.15	0.01	0.16
Closing Balance as at December 30, 2016	-	-	-	<b>0.12</b>	<b>0.12</b>



	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>13. LOANS GIVEN- at amortised cost</b>			
<b>Loans to related parties (given to subsidiary - Refer note 40 and 45)</b>			
Unsecured, considered good	9.22	18.27	14.41
<b>TOTAL</b>	<b>9.22</b>	<b>18.27</b>	<b>14.41</b>

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>14. OTHER CURRENT FINANCIAL ASSETS- at amortised cost</b>			
Guarantee fees receivable (Receivable from related party - Refer note 45)	-	106.66	-
Other receivables (Receivable from related party ₹ 49.74 crore (March 31, 2016: ₹ Nil; April 01, 2015; ₹ Nil - also refer note 45)	60.00	16.51	4.66
<b>TOTAL</b>	<b>60.00</b>	<b>123.17</b>	<b>4.66</b>

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>15. OTHER CURRENT ASSETS</b>			
Advances to suppliers (Refer note (iii) below)	16.04	11.07	23.32
Balances with statutory/government authorities	119.09	94.64	84.87
Other advances (Refer note (ii) below)	55.09	45.72	25.57
<b>TOTAL</b>	<b>190.22</b>	<b>151.43</b>	<b>133.76</b>

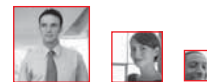
**Note:**

- The above amounts are net of provisions, if any
- Includes amount pertaining to related parties ₹ 8.72 crore (March 31, 2016 : ₹ 9.44 crore; April 01, 2015 ; ₹ 6.89 crore) - Refer note 45
- Advances due from private companies in which any director is a partner, director or a member ₹ 0.53 crore (March 31, 2016 : ₹ Nil; April 01, 2015 ₹ Nil)

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
<b>16. EQUITY SHARE CAPITAL</b>						
<b>AUTHORISED</b>						
Equity shares of ₹ 5/- each	250,000,000	125.00	250,000,000	125.00	250,000,000	125.00
		125.00		125.00		125.00
<b>ISSUED, SUBSCRIBED AND PAID UP</b>						
Equity shares of ₹ 5/- each fully paid up:						
Shares outstanding as at the beginning of the year	110,508,903	55.25	110,072,903	55.04	109,751,153	54.88
Add: Shares issued during the year pursuant to ESOS	39,125	0.02	436,000	0.21	321,750	0.16
<b>Shares outstanding as at the end of the year</b>	<b>110,548,028</b>	<b>55.27</b>	<b>110,508,903</b>	<b>55.25</b>	<b>110,072,903</b>	<b>55.04</b>

**Notes:**

- The Company has only one class of equity shares having a par value of ₹ 5/- per share. Each holder of equity shares is entitled to one vote per share held and is entitled to dividend, if declared at the Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- Shares reserved for issue under options:**  
883,125 (March 31, 2016: 698,750; April 01, 2015 - 1,243,500) equity shares of face value ₹ 5 each have been reserved for issue under Wockhardt Stock Option Scheme -2011.



c) **Details of equity shares held by each shareholders holding more than 5% of total equity shares:**

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Themisto Trustee Company Private Limited which holds these shares in its capacity as the trustee of Habil Khorakiwala Trust which in turn holds these shares in its capacity as the partner of the partnership firm Humuza Consultants.	60,497,757	54.73	65,897,757	59.63	65,897,757	59.87

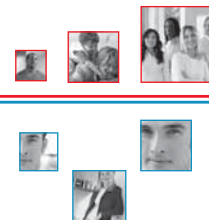
During the year, Themisto Trustee Company Private Limited (which holds these shares in its capacity as the trustee of Habil Khorakiwala Trust which in turn holds these shares in its capacity as the partner of the partnership firm Humuza Consultants) has sold 54 Lacs Equity Shares of face value ₹ 5/- each to Amalthea Discretionary Trust, Lysithea Discretionary Trust and HNZ Discretionary Trust whose Trustees are Ananke Trustee Company Private Limited, Callirhoe Trustee Company Private Limited and Pasithee Trustee Company Private Limited respectively.

Themisto Trustee Company Private Limited in its capacity as a trustee of Habil Khorakiwala Trust has also acquired 54 lacs Equity Shares of face value ₹ 5/- each from Ananke Trustee Company Private Limited (who were holding these shares in its capacity as the trustee of Amalthea Discretionary Trust which in turn holds these shares in its capacity as partner of partnership firm Amalthea Consultants), Callirhoe Trustee Company Private Limited (who were holding these shares in its capacity as the trustee of Lysithea Discretionary Trust which in turn holds these shares in its capacity as partner of partnership firm Lysithea Consultants) and Pasithee Trustee Company Private Limited (who were holding these shares in its capacity as the trustee of HNZ Discretionary Trust which in turn holds these shares in its capacity as partner of partnership firm HNZ Consultants).

All these Partnership Firms and Discretionary Trusts are part of Promoter Group.

- d) The Board of Directors of the Company at their meeting held on November 10, 2016 have declared interim dividend of 200% i.e ₹ 10 per share on equity shares of ₹ 5/- each, absorbing ₹ 110.55 crore. The Board recommends the said interim dividend of 200% as final dividend for the financial year 2016-17.

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>17. OTHER EQUITY (Refer 'Statement of changes in Equity' for nature and purpose of reserves)</b>			
Capital Reserves (other than capital contribution mentioned below)	172.78	172.78	172.78
Capital Contribution	43.96	43.96	43.96
Capital Redemption Reserve	489.35	489.35	489.35
Securities Premium Account	50.48	47.40	29.01
Share Options Outstanding Account (Refer note 46)	37.01	28.65	45.76
Foreign Currency Monetary Items Translation Difference Account (FCMITDA)	(6.88)	(21.82)	-
General Reserve	259.83	259.83	253.69
Surplus/(Deficit) in Statement of Profit and Loss	119.67	93.10	84.76
Other Comprehensive Income (Re-measurement of net defined benefit liability/asset)	(2.15)	(0.54)	-
	<b>1,164.05</b>	<b>1,112.71</b>	<b>1,119.31</b>
<b>Movement in reserves:</b>			
<b>Capital Reserves</b> (other than capital contribution mentioned below)			
Opening Balance	172.78	172.78	
Add: Addition during the year	-	-	
Closing Balance	172.78	172.78	
<b>Capital Contribution</b>			
Opening Balance	43.96	43.96	
Add: Addition during the year	-	-	
Closing Balance	43.96	43.96	
<b>Capital Redemption Reserve</b>			
Opening Balance	489.35	489.35	
Add: Addition during the year	-	-	
Closing Balance	489.35	489.35	



	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>17. OTHER EQUITY (Refer 'Statement of changes in Equity' for nature and purpose of reserves)</b>			
<b>Securities Premium Account</b>			
Opening Balance	47.40	29.01	
Add: Securities premium credited on share issue pursuant to ESOS	3.08	18.39	
Closing Balance	50.48	47.40	
<b>Share Options Outstanding Account (Refer note 46)</b>			
Opening Balance	40.35	67.83	
Add/Less: Addition/(Reduction) during the year (net)	18.88	(27.48)	
Closing Balance	59.23	40.35	
Less: Deferred Employee Compensation expense	(22.22)	(11.70)	
	37.01	28.65	
<b>General Reserve</b>			
Opening Balance	259.83	253.69	
Add: Transfer on account of ESOS options lapsed	–	6.14	
Closing Balance	259.83	259.83	
<b>Retained Earnings</b>			
Surplus/(Deficit) in Statement of Profit and Loss:			
Opening balance	93.10	84.76	
Add: Net Profit for the current year	137.12	8.34	
Less: Interim Dividend on Equity shares (amount paid per share ₹ 10 (Previous Year : ₹ Nil))	(110.55)	–	
Closing Balance	119.67	93.10	

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>18. NON-CURRENT FINANCIAL LIABILITIES- BORROWINGS</b>			
<b>SECURED</b>			
Term Loans			
Financial institutions (Refer note (1) below)	519.00	662.60	562.50
Banks (Refer note (2) below)	460.46	496.66	–
From others (Refer note (3) below)	–	0.32	0.64
	979.46	1,159.58	563.14
<b>UNSECURED</b>			
Deferred payment liabilities			
Sales tax deferral loan (Refer note (4) below)	0.24	0.67	1.29
Loans from Others (Refer note (5) below)	2.07	2.69	3.30
Preference Shares (Refer note (6) below)	300.85	269.90	242.15
	303.16	273.26	246.74
<b>TOTAL</b>	<b>1,282.62</b>	<b>1,432.84</b>	<b>809.88</b>

**Notes:**

- 1) The term loan of USD 100 million (March 31, 2016: USD 100 million; April 01, 2015 : USD 90 million) amounting to ₹ 648.75 crore (March 31, 2016: ₹ 662.60 crore; April 01, 2015 : ₹ 562.50 crore) is secured by first charge on pari passu basis on fixed assets, present and future, located at all locations other than Units at Baddi in Himachal Pradesh and Kadaiya in Daman . This term loan carrying interest rate of 6 months USD LIBOR plus 325 BPS p.a. is repayable in 20 equal quarterly installments commencing from April 01, 2017.
- 2) The term loan of ₹ 250 crore (March 31, 2016 : ₹ 250 crore: April 01, 2015: ₹ Nil) from IDBI Bank is secured by first charge on pari passu basis on fixed assets, present and future, located at all locations other than Units at Baddi in Himachal Pradesh and Kadaiya in Daman. This term loan carrying interest rate at Bank Base Rate plus 75 BPS p.a. is repayable in 10 equal half yearly instalments commencing from December 31, 2017.

Further, the term loan of ₹ 250 Crore (March 31, 2016 : ₹ 250 crore: April 01, 2015: ₹ Nil) from Bank of Maharashtra ('BOM') is secured



by first charge on pari passu basis on fixed assets, present and future, located at all locations other than Units at Baddi in Himachal Pradesh and Kadaiya in Daman. This term loan carrying interest rate at Bank Base Rate plus 25 BPS p.a. is repayable in 20 equal quarterly instalments commencing from March 31, 2018.

- 3) The term loan from others is secured by first charge on pari passu basis by hypothecation of movable properties of the company (except book debts) at all locations. This term loan from others with interest rate of 2% p.a. is repayable in 10 equal half yearly installments having commenced from September 2013.
- 4) Interest free sales tax deferral loan is repayable in the month of May every year. This loan is repayable by May 2019.
- 5) Loans from others with interest rate of 3% p.a. is repayable in 10 equal annual installments. Loan amounting ₹ 0.57 crore (March 31, 2016: ₹ 0.76 crore; April 01, 2015 : ₹ 0.95 crore) is repayable by June 2019 and the balance ₹ 2.12 crore (March 31, 2016: ₹ 2.54 crore; April 01, 2015: ₹ 2.97 crore) by October 2021.
- 6) Preference share

**a) Details of preference share :**

	As at March 31, 2017		As at March 31, 2016	
	No. of shares	Amount	No. of shares	Amount
<b>AUTHORISED</b>				
Preference shares of ₹ 5/- each	<b>2,000,000,000</b>	<b>1,000.00</b>	2,000,000,000	1,000.00
<b>ISSUED, SUBSCRIBED AND PAID UP</b>				
Optionally Convertible Cumulative Redeemable Preference shares (OCCRPS) of ₹ 5/- each fully paid up :				
Shares outstanding as at the beginning of the year*	<b>121,454,927</b>	<b>60.72</b>	121,454,927	60.72
Add: Shares Issued during the Year	-	-	-	-
Less: Shares redeemed during the year	-	-	-	-
<b>Shares outstanding as at the end of the year</b>	<b>121,454,927</b>	<b>60.72</b>	121,454,927	60.72
<b>Non-Convertible Cumulative Redeemable Preference shares (NCRPS) of ₹ 5/- each fully paid up:</b>				
Shares outstanding as at the beginning of the year*	<b>475,659,941</b>	<b>237.83</b>	475,659,941	237.83
Add: Shares Issued during the Year	-	-	-	-
Less: Shares redeemed during the year	-	-	-	-
<b>Shares outstanding as at the end of the year</b>	<b>475,659,941</b>	<b>237.83</b>	475,659,941	237.83

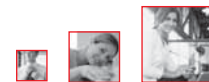
\*121,454,927 OCCRPS amounting to ₹ 60.72 crore and 475,659,941 NCRPS amounting to ₹ 237.83 crore were outstanding as on April 01, 2015

Subject to the approval of shareholders at the Annual General Meeting, Board of Directors have recommended dividend of 0.01% (at the rate of ₹ 0.0005 per share of ₹ 5/- each) on 475,659,941 NCRPS of ₹ 5/- each and 121,454,927 OCCRPS of ₹ 5/- each.

**b) Issue of Preference Shares as per Corporate Debt Restructuring (CDR) Scheme:**

Pursuant to approved CDR package against various liabilities, the Company has issued Preference shares of ₹ 5/- each to Banks/Financial Institutions on the following terms and conditions:

- i) 121,454,927 (March 31, 2016: 121,454,927; April 01, 2015: 121,454,927) 0.01% Optionally Convertible Cumulative Redeemable Preference shares (OCCRPS Series 2) issued bilaterally to various Banks, on the following terms and conditions:



The Preference Share holders shall have the right to convert OCCRPS Series 2 along with accumulated dividend, into fully paid equity shares of the Company, in one or more tranches, commencing July 4, 2016 till December 31, 2018, at conversion price as per the applicable SEBI formula on the relevant date i.e June 04, 2016 .The said shares, in case not converted, shall get redeemed along with accumulated dividend on December 31, 2018 without any redemption premium. No shareholders have exercised the right of conversion till date.

- ii) 32,265,110 (March 31,2016: 32,265,110; April 01, 2015 :32,265,110) 0.01% Non - Convertible Cumulative Redeemable Preference shares (NCRPS Series 2), redeemable at a premium of 20% of the face value along with cumulative dividend on December 31, 2018.
  - iii) 283,394,831 (March 31,2016: 283,394,831; April 01,2015: 283,394,831) 0.01% Non - Convertible Cumulative Redeemable Preference shares (NCRPS Series 3) issued bilaterally to various Banks, redeemable at a redemption premium calculated at 4% p.a. on simple basis along with cumulative dividend on December 31, 2018.
  - iv) 160,000,000 (March 31, 2016: 160,000,000; April 01, 2015: 160,000,000) 0.01% Non - Convertible Cumulative Redeemable Preference shares (NCRPS Series 5), redeemable at a premium of 20% of the face value along with cumulative dividend on March 31, 2019.
- c) Effective interest rate for the above preference shares is in the range of 10.8%-12%
- d) **Details of NCRPS held by each shareholders holding more than 5% of total NCRPS:**

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Khorakiwala Holdings and Investments Private Limited	203,233,260	42.73	203,233,260	42.73	160,000,000	33.64
Indian Overseas Bank	104,563,437	21.98	104,563,437	21.98	104,563,437	21.98
Union Bank of India Corporation Bank	74,397,151	15.64	74,397,151	15.64	74,397,151	15.64
HDFC Bank Limited	–	–	–	–	43,233,260	9.09
Punjab National Bank	29,778,521	6.26	29,778,521	6.26	29,778,521	6.26

e) **Details of OCCRPS held by each shareholders holding more than 5% of total OCCRPS:**

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Indian Overseas Bank	39,888,348	32.84	39,888,348	32.84	39,888,348	32.84
Union Bank of India Corporation Bank	31,884,492	26.25	31,884,492	26.25	31,884,492	26.25
HDFC Bank Limited	–	–	–	–	18,528,540	15.26
Khorakiwala Holdings and Investments Private Limited	18,528,540	15.26	18,528,540	15.26	–	–
Punjab National Bank	9,326,619	7.68	9,326,619	7.68	9,326,619	7.68

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>19. PROVISIONS (Non-current)</b>			
<b>Provision for employee benefits (Refer note 44)</b>			
Gratuity (unfunded)	22.40	18.77	16.87
Leave Encashment (unfunded)	23.73	19.81	16.61
<b>TOTAL</b>	<b>46.13</b>	<b>38.58</b>	<b>33.48</b>



## 20. INCOME TAX

### (a) Tax recognised in profit or loss

	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Current tax (charge)/credit</b>	<b>(25.30)</b>	–
<b>Deferred tax (charge) /credit, net</b>		
Origination and reversal of temporary differences including Minimum Alternate Tax (MAT) Credit entitlement	<b>39.08</b>	27.86
Reduction in tax rate	<b>4.56</b>	–
<b>Deferred tax credit/(charge)</b>	<b>43.64</b>	27.86
<b>Tax (charge)/credit for the year</b>	<b>18.34</b>	27.86

The decrease in Indian corporate tax rate from 34.61% to 33.063% for the financial year 2016-17 resulted in a remeasurement of deferred tax liability as of March 31, 2017. Consequently, a gain of ₹ 4.56 crore relating to such remeasurement was recognised in the income statement during the year ended March 31, 2017.

### (b) Tax recognised in other comprehensive income

	For the year ended March 31, 2017			For the year ended March 31, 2016		
	Before tax Charge/ (credit)	Tax Charge/ (credit)	Net of tax Charge/ (credit)	Before tax Charge/ (credit)	Tax Charge/ (credit)	Net of tax Charge/ (credit)
<b>Items that will not be reclassified to profit or loss</b>						
Remeasurements of the defined benefit plans	<b>2.40</b>	<b>(0.79)</b>	<b>1.61</b>	0.81	(0.27)	0.54
<b>TOTAL</b>	<b>2.40</b>	<b>(0.79)</b>	<b>1.61</b>	0.81	(0.27)	0.54

### (c) Reconciliation of effective tax rate

	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Profit/(Loss) before tax</b>	<b>118.78</b>	(19.52)
Tax using the Company's domestic tax rate (Current year 33.063% and Previous Year 34.61%)	<b>39.27</b>	(6.76)
Non-deductible tax expenses	<b>13.38</b>	13.22
Current-year losses for which no deferred tax asset is recognised	–	41.64
Incremental deduction allowed for research and development costs	<b>(77.40)</b>	(60.28)
Recognition of tax effect of previously unrecognised tax losses(FCMITDA)	<b>7.21</b>	–
Effect of withholding tax paid at different tax rate	<b>4.28</b>	–
Investment allowance deduction	<b>(5.08)</b>	(15.68)
	<b>(18.34)</b>	(27.86)
Effective tax rate for the year	<b>15.44%</b>	142.73%

The effective tax rate for the year ended March 31, 2017 was lower primarily as a result of a weighted deduction on research and development expenses under Section 35(2AB) of the Income Tax Act, 1961. The decrease was marginally offset on account of taxes withheld on foreign dividend income, which is not entitled to be carried forward as MAT credit entitlement.





(d) Movement in deferred tax asset/(liabilities)

	Net balance April 1, 2016	Recognised in profit or loss	Recognised in Other Comprehensive Income	Recognised directly in equity	As at March 31, 2017		
					Net Deferred tax asset/ (liabilities)	Deferred tax asset	Deferred tax liability
<b>Deferred tax asset/ (liabilities)</b>							
Property, plant and equipment	(213.04)	(27.35)	–	–	<b>(240.39)</b>	–	<b>(240.39)</b>
Tax losses	54.76	50.48	–	–	<b>105.24</b>	<b>105.24</b>	–
Loans and borrowings	0.04	(0.89)	–	–	<b>(0.85)</b>	–	<b>(0.85)</b>
Employee benefits	21.15	1.05	0.79	–	<b>22.99</b>	<b>22.99</b>	–
Guarantee fees	0.03	–	–	–	<b>0.03</b>	<b>0.03</b>	–
Provision for doubtful debts	25.20	(0.25)	–	–	<b>24.95</b>	<b>24.95</b>	–
Other items	1.32	(0.42)	–	–	<b>0.90</b>	<b>0.90</b>	–
<b>Tax assets/(Liabilities)</b>	<b>(110.54)</b>	<b>22.62</b>	<b>0.79</b>	–	<b>(87.13)</b>	<b>154.11</b>	<b>(241.24)</b>
Minimum Alternate Tax (MAT) credit entitlement	124.12	21.02	–	–	<b>145.14</b>	<b>145.14</b>	–
<b>Net tax assets/ (Liabilities)</b>	<b>13.58</b>	<b>43.64</b>	<b>0.79</b>	–	<b>58.01</b>	<b>299.25</b>	<b>(241.24)</b>

(e) Movement in deferred tax asset/(liabilities)

	Net balance April 1, 2015	Recognised in profit or loss	Recognised in Other Comprehensive Income	Recognised directly in equity	As at March 31, 2016		
					Net Deferred tax asset/ (liabilities)	Deferred tax asset	Deferred tax liability
<b>Deferred tax asset/ (liabilities)</b>							
Property, plant and equipment	(184.60)	(28.44)	–	–	(213.04)	–	(213.04)
Tax losses	–	54.76	–	–	54.76	54.76	–
Loans and borrowings	–	0.04	–	–	0.04	0.04	–
Employee benefits	17.37	3.51	0.27	–	21.15	21.15	–
Guarantee fees	1.08	(1.05)	–	–	0.03	0.03	–
Provision for doubtful debts	26.49	(1.29)	–	–	25.20	25.20	–
Other items	0.98	0.34	–	–	1.32	1.32	–
<b>Tax assets/ (Liabilities)</b>	<b>(138.68)</b>	<b>27.87</b>	<b>0.27</b>	–	<b>(110.54)</b>	<b>102.50</b>	<b>(213.04)</b>
Minimum Alternate Tax (MAT) credit entitlement	124.12	–	–	–	124.12	124.12	–
<b>Net tax assets/ (Liabilities)</b>	<b>(14.56)</b>	<b>27.87</b>	<b>0.27</b>	–	<b>13.58</b>	<b>226.62</b>	<b>(213.04)</b>

- i) The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Minimum Alternate Tax (MAT credit) balance as on March 31, 2017 amounts to ₹ 145.14 crores (March 31, 2016: ₹ 124.12 crores, April 1, 2015 ₹ 124.12 crores). The Company is reasonably certain of availing the said MAT credit in future years against the normal tax expected to be paid in those years.



- ii) Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.
- iii) Given that the Company does not have any intention to dispose investments in subsidiaries in the foreseeable future, deferred tax asset on indexation benefit in relation to such investments has not been recognised. Further, the Company does not have any intention to dispose the land on an individual basis, hence deferred tax asset on the indexation benefit on land has not been recognised.
- iv) No deferred tax asset has been created on the loss that would get reversed during the tax holiday period amounting ₹ 121.78 crore (Previous year: ₹ 121.78 crore).

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>21. OTHER NON-CURRENT LIABILITIES</b>			
Advance from Subsidiary against supplies (Refer note 45)	426.66	651.32	-
<b>TOTAL</b>	<b>426.66</b>	651.32	-

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>22. CURRENT FINANCIAL LIABILITIES- BORROWINGS- at amortised cost</b>			
<b>SECURED</b>			
<b>Loans repayable on demand</b>			
Working capital facilities from banks (Refer note (1) below)	485.69	414.32	181.08
<b>Other Loans</b>			
Buyers' credit (Refer note (2) below)	173.94	135.71	89.09
<b>TOTAL</b>	<b>659.63</b>	550.03	270.17

**Notes:**

- 1) Working capital facilities from Banks are secured by way of :
- i) First charge on pari passu basis on present and future stock of raw materials, consumables, spares, semi-finished goods, finished goods, book debts and other current assets.
  - ii) Second charge on pari passu basis by way of mortgage of immovable properties and hypothecation of movable assets, both present and future, located at all locations (other than Units at Baddi in Himachal Pradesh and Kadaiya in Daman).  
Refer Note 11 to Note 14 for carrying amount of current financial assets on which charge has been created.
- 2) Buyers' credit availed from Yes Bank, ICICI Bank and IDBI Bank are secured by way of first pari passu charge on the entire current assets and second pari passu charge on all fixed assets located at all locations other than Units at Baddi in Himachal Pradesh and Kadaiya in Daman . Buyers' credit availed from State Bank of India (SBI) and ICICI Bank during 2014-15 has been fully repaid during 2015-16. Buyers' credit availed from SBI were secured by way of first charge on the specific assets and by way of second charge on the entire current assets and second subservient charges on all fixed assets, present and future, located at all locations other than Units at Baddi in Himachal Pradesh and Kadaiya in Daman . Refer Note 11 to Note 14 for carrying amount of current financial assets on which charge has been created.

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>23. TRADE PAYABLES</b>			
Trade Payables:			
Total outstanding dues of micro enterprises and small enterprises (Refer note 36)	17.21	18.28	23.90
Others	329.14	314.22	320.50
<b>TOTAL</b>	<b>346.35</b>	332.50	344.40



	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>24. OTHER CURRENT FINANCIAL LIABILITIES - at amortised cost</b>			
Current maturities of long-term debt (Refer note 18)	168.12	1.55	1.76
Interest accrued	9.52	9.29	0.46
Unpaid dividends	2.03	1.66	1.83
Other payables			
Security deposits	17.38	17.26	16.57
Employee liabilities	45.66	42.15	43.45
Payables for capital goods	20.07	35.62	30.02
Other liabilities	41.62	39.29	27.57
<b>TOTAL</b>	<b>304.40</b>	146.82	121.66

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>25. OTHER CURRENT LIABILITIES</b>			
Payable for Statutory dues	10.24	14.16	10.73
Advance received from Customers/Subsidiary against supplies (Refer note 45)	206.24	218.75	1,271.81
<b>TOTAL</b>	<b>216.48</b>	232.91	1,282.54

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>26. PROVISIONS</b>			
<b>Provision for employee benefits</b> (Refer note 44)			
Gratuity (unfunded)	8.79	8.02	6.67
Leave Encashment (unfunded)	11.65	11.15	9.01
	<b>20.44</b>	19.17	15.68
<b>Other provisions</b>			
Provision for sales return on date expiry (Refer note 35)	14.82	11.72	10.94
	<b>14.82</b>	11.72	10.94
<b>TOTAL</b>	<b>35.26</b>	30.89	26.62

	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>27. REVENUE FROM OPERATIONS</b>		
Sale of products (Including excise duty)	2,146.00	1,975.84
Sale of services	37.11	107.44
Outlicensing fees	114.41	133.25
<b>TOTAL</b>	<b>2,297.52</b>	2,216.53

	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>28. OTHER INCOME</b>		
Interest Income	60.50	50.12
Dividend Income from subsidiaries (Refer note 45)	171.11	-
Other non-operating income (Refer note below)	16.70	11.38
<b>TOTAL</b>	<b>248.31</b>	61.50

**Note:**

Other non-operating income includes :

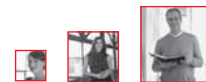
- (a) Liabilities no more payable of ₹ 4.38 crore (Previous Year - ₹ 6.82 crore); and
- (b) Guarantee fees ₹ 9.36 crore (Previous Year - ₹ 2.11 crore) (Refer note 45)



	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>29. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Opening Inventories</b>		
Finished goods	144.18	171.22
Work in progress	75.03	54.88
Stock-in-trade	84.64	64.13
Less: Excise duty on opening stock	(3.83)	(2.19)
	<b>300.02</b>	<b>288.04</b>
Less: Inventory write off	-	(1.59)
<b>Closing Inventories</b>		
Finished goods	(151.76)	(144.18)
Work in progress	(69.19)	(75.03)
Stock-in-trade	(97.74)	(84.64)
Less: Excise duty on closing stock	4.35	3.83
	<b>(314.34)</b>	<b>(300.02)</b>
<b>(Increase)/Decrease in Inventories</b>	<b>(14.32)</b>	<b>(13.57)</b>

	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>30. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and wages (Refer note 44)	410.62	366.42
Contribution to provident and other funds (Refer note 44)	20.57	18.87
Share based payments to employees - (Refer note 46)	10.97	7.20
Staff welfare expenses	81.06	81.24
<b>TOTAL</b>	<b>523.22</b>	<b>473.73</b>

	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>31. FINANCE COSTS</b>		
Interest expense		
on term loans	79.65	48.35
others	87.54	49.58
Other borrowing costs	3.81	2.14
Net Loss on foreign currency transactions and translation	3.02	8.39
	<b>174.02</b>	<b>108.46</b>
Less: Borrowing cost capitalised*	(5.30)	(0.60)
* weighted average capitalisation rate 10.30% (Previous year - 8.91 %)		
<b>TOTAL</b>	<b>168.72</b>	<b>107.86</b>



	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>32. OTHER EXPENSES</b>		
Travelling and conveyance	87.94	84.03
Freight and forwarding charges	49.93	44.33
Sales promotion and other selling cost	55.66	44.99
Commission on sales	25.27	24.59
Power and fuel	83.31	86.97
Rent (refer note 38)	79.07	80.69
Rates and taxes	6.82	6.04
Repairs and maintenance		
– to Building	7.38	5.24
– to Plant and machinery	19.94	19.74
– to Others	19.24	16.30
Stores and spare parts consumed	37.37	40.00
Insurance	9.52	7.88
Legal and Professional Charges	15.22	40.32
Directors' sitting fees	0.73	0.71
Material for test batches	10.27	24.07
Chemicals	27.46	32.11
Product development expenses	6.99	13.89
Equipment/Utility hire charges	16.38	22.51
Miscellaneous expenses (Refer note 34 and 54)	132.79	109.62
<b>TOTAL</b>	<b>691.29</b>	<b>704.03</b>

	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>33. EARNINGS PER SHARE</b>		
The calculations of Earnings per share (EPS) (basic and diluted) are based on the earnings and number of shares as computed below:		
<b>Reconciliation of earnings</b>		
Profit after tax	137.12	8.34
Net Profit for calculation of basic/diluted EPS	137.12	8.34
	<b>No. of Shares</b>	No. of Shares
<b>Reconciliation of number of shares</b>		
Weighted average number of shares in calculating Basic EPS	110,535,379	110,388,022
Add: Weighted average number of shares under ESOS	859,529	798,365
Weighted average number of shares under Optionally Convertible Cumulative Redeemable (OCCRPS) Preference shares	403,962	–
Weighted average number of equity shares in calculating diluted EPS	111,798,870	111,186,387
<b>Earnings per share (face value ₹ 5/- each)</b>		
Earnings per share - Basic in Rupees	12.40	0.75
Earnings per share - Diluted in Rupees	12.26	0.75

The holders of Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) have the option of converting the aforesaid shares into fully paid equity shares of the Company, in one or more tranches, commencing July 4, 2016 till December 31, 2018, at conversion price as per the applicable SEBI formula on the relevant date i.e June 04, 2016. The said shares, in case not converted, shall get redeemed along with accumulated dividend on December 31, 2018 without any redemption premium. No shareholders have exercised the right of conversion till date. However the same has been considered for calculation of diluted EPS.



	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>34. AUDITOR'S REMUNERATION (EXCLUDING SERVICE TAX)</b>		
Audit Fees*	1.00	0.52
Tax Audit Fees	0.16	0.16
Other services **	0.61	0.30
Out of pocket expenses	0.03	0.02
	<b>1.80</b>	1.00

\* includes audit fees pertaining to FY 2015-16 ₹ 0.26 crore (Previous Year: includes fees pertaining to FY 2014-15 ₹ 0.04 crore)

\*\* includes other services pertaining to FY 2015-16 ₹ 0.06 crore (Previous Year: ₹ Nil)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>35. MOVEMENT OF PROVISION FOR SALES RETURN ON DATE EXPIRY:</b>			
Opening Balance	11.72	10.94	10.15
Recognised during the year	19.03	11.04	11.12
Utilised during the year	(15.93)	(10.26)	(10.33)
Closing Balance	<b>14.82</b>	11.72	10.94

Provision has been recognised for expected sales return on date expiry of products sold during two years.

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>36. DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS PER MSMED ACT, 2006:</b>			
a) Principal amount due to suppliers under MSMED Act, 2006	17.21	18.28	23.90
b) Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	0.35	0.50	0.46
c) Payment made to suppliers (other than interest) beyond the appointed day during the year	99.36	84.56	50.72
d) Interest paid to suppliers under MSMED Act (Section 16)	-	-	-
e) Interest due and payable towards suppliers under MSMED Act for payments already made	5.76	4.13	2.45
f) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (including interest mentioned in (e) above)	6.11	4.63	2.91

The above information is given to the extent available with the Company and relied upon by the auditor.

### 37. SEGEMENT REPORTING

As the Company's annual report contains both Consolidated and Standalone Financial Statements, segmental information is presented only on the basis of Consolidated Financial Statement.

### 38. OPERATING LEASE

The Company has taken land and office premises on operating lease which are cancellable.

These lease and license agreements for the office premises are generally for a period not exceeding five years and are in most cases renewable by mutual consent, on mutually agreeable terms. There are no restrictions imposed by lease arrangements or any contingent rents payable. There are no subleases.

The land lease is for a period of 5 to 10 years and are renewable by mutual consent on mutually agreeable terms. There are no escalation in the lease amounts. There are no restrictions imposed by lease arrangements or contingent rent payable. Certain portion of the land has been subleased.

### 39. FINANCE LEASE

The Company has entered into finance lease for land. These leases are generally for a period ranging 95 years to 99 years. These leases can be extended for further 95 to 99 years. No part of the land has been sub leased. Except for the initial payment, there are no material annual payments for the aforesaid leases. Refer Note 4 for carrying value.



**40. INFORMATION PERTAINING TO LOANS AND GUARANTEES GIVEN TO SUBSIDIARIES (INFORMATION PURSUANT TO REGULATION 34(3) OF SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECTION 186 (4) OF THE COMPANIES ACT, 2013):**

**(A) Loans and advances in the nature of loans to subsidiaries :**

	Outstanding as at the beginning of the year	Given during the year	Adjusted/ repaid during the year	Closing at the end of the year	Maximum amount outstanding during the year	Purpose
Wockhardt Infrastructure Development Limited	18.27	17.29	(26.34)	9.22	20.89	General Corporate purpose
(Previous Year)	14.41	31.22	(27.36)	18.27	22.16	

**(B) Guarantees given to subsidiaries :**

	As at March 31, 2017		As at March 31, 2016		Purpose
	USD in Million	₹ in Crore	USD in Million	₹ in Crore	
Wockhardt Bio AG	300.00	1,946.25	9.38	62.12	Against the loan taken by the subsidiary.(Also Refer note 51)

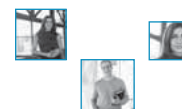
	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>41. PURCHASES OF STOCK-IN-TRADE CONSISTS OF:</b>		
Injections	211.29	186.58
Liquids and Solutions	48.13	54.26
Tablets and Capsules	147.52	177.48
Ointments	9.42	7.44
Powder	3.59	2.69
Other goods	8.71	7.95
<b>TOTAL</b>	<b>428.66</b>	<b>436.40</b>

	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>42. Capital expenditure on Research and Development</b>	<b>20.77</b>	<b>51.18</b>

**43. The aggregate amount of revenue expenditure incurred on Research and Development and charged to Statement of Profit and Loss is as under:**

	For the year ended March 31, 2017	For the year ended March 31, 2016
Chemicals and consumables	30.38	40.95
Employee cost	123.19	110.74
Travelling expenses	9.14	10.31
Power and fuel	18.86	19.14
Repair and maintenance	6.93	7.82
Printing and stationery	0.92	1.09
Communication expenses	0.82	1.07
Clinical trial expenses	4.42	2.80
Analysis expenses	3.35	1.36
Legal and professional expenses	8.57	2.21
Other Research and Development expenses	31.20	52.50
<b>TOTAL</b>	<b>237.78</b>	<b>249.99</b>





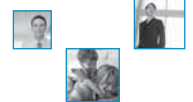
#### 44. EMPLOYEE BENEFITS

Gratuity liability is provided in accordance with the provisions of the Payment of Gratuity Act, 1972 based on actuarial valuation. The plan provides a lump sum gratuity payment to eligible employee at retirement or termination of their employment. The amounts are based on the respective employee's last drawn salary and the years of employment with the Company.

The most recent actuarial valuation of the defined benefit obligation was carried out at the balance sheet date. The present value of the defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation as at balance sheet date:

	For the year ended March 31, 2017 Gratuity (Non-funded)	For the year ended March 31, 2016 Gratuity (Non-funded)
<b>(A) Defined benefit plans -</b>		
<b>I Expenses recognised in profit or loss:</b>		
1 Current Service Cost	2.79	2.21
2 Interest cost	2.00	1.87
<b>Total Expenses</b>	<b>4.79</b>	<b>4.08</b>
<b>II Expenses recognised in Other Comprehensive Income</b>		
1 Actuarial changes arising from changes in demographic assumptions	0.20	-
2 Actuarial changes arising from changes in financial assumptions	0.62	(0.84)
3 Actuarial changes arising from changes in experience adjustments	1.58	1.65
<b>Total Expenses</b>	<b>2.40</b>	<b>0.81</b>
<b>III Net Asset /(Liability) recognised as at balance sheet date:</b>		
1 Present value of defined benefit obligation	31.19	26.79
2 Net Asset /(Liability)	(31.19)	(26.79)
<b>IV Reconciliation of Net Asset / (Liability) recognised as at balance sheet date:</b>		
1 Net Asset /(Liability) at the beginning of year	(26.79)	(23.54)
2 Expense as per (I) & (II) above	(7.19)	(4.89)
3 Benefit paid	2.79	1.64
4 Net asset / (liability) at the end of the year	(31.19)	(26.79)
<b>V Maturity profile of defined benefit obligation</b>		
1 Within the next 12 months (next annual reporting period)	8.79	8.06
2 Between 2 and 5 years	18.30	16.36
3 Between 6 and 10 years	8.12	6.45
<b>VI Quantitative sensitivity analysis for significant assumptions is as below:</b>		
<b>1 Increase/(decrease) on present value of defined benefit obligation at the end of the year</b>		
(i) One percent point increase in discount rate	(0.76)	(0.58)
(ii) One percent point decrease in discount rate	0.81	0.62
(iii) One percent point increase in rate of salary increase	0.72	0.56
(iv) One percent point decrease in rate of salary increase	(0.70)	(0.54)
(v) One percent point increase in attrition rate	(0.13)	(0.10)
(vi) One percent point decrease in attrition rate	0.14	0.10
<b>2 Sensitivity analysis method</b>		
Sensitivity analysis is determined based on the expected movement in liability if the assumptions were not proved to be true on different count.		
<b>VII Expected contributions to the plan for the next annual reporting period.</b>	<b>5.37</b>	<b>4.79</b>



	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>VIII Actuarial Assumptions:</b>			
1 Discount rate	6.67%	7.48%	7.93%
2 Expected rate of salary increase	8.00%	8.00%	10.00%
3 Attrition rate	26.00%	28.00%	28.00%
4 Mortality	<b>Indian Assured Lives Mortality (2006-08) Ultimate</b>	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

**Notes:**

- a) Amount recognised as an expense in the Statement of Profit and Loss and included in Note 30 under "Salaries and wages": Gratuity ₹ 4.79 Crore (Previous year - ₹ 3.91 crore) and Leave encashment ₹ 15.46 crore (Previous year - ₹ 12.55 crore)
- b) The estimates of future salary increases considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- c) The plan above is typically exposed to actuarial risk such as interest risk, mortality risk and salary risk.
  - a) Interest risk: The decrease in the bond interest rate will increase the liability.
  - b) Mortality risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
  - c) Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**(B) Defined contribution plan -**

The Company makes contributions towards provident fund and superannuation fund which are in the nature of defined contribution post employment benefit plans. Under the plan, the Company is required to contribute a specified percentage of payroll cost to fund the benefits.

Amount recognised as an expense in the Statement of Profit and Loss - included in Note 30- "Contribution to provident and other funds" ₹ 20.57 crore (Previous Year - ₹ 18.87 crore).

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

**45. RELATED PARTY DISCLOSURES**

As per Ind AS 24, the disclosure of transactions with the related parties are given below:

**a) Parties where control exists**

<b>Subsidiary Companies (including step down subsidiaries)</b>		
1	Wockhardt UK Holdings Limited (formerly, Wockhardt UK Limited)	17 Nonash Limited
2	CP Pharmaceuticals Limited	18 Laboratoires Negma S.A.S. (formerly Negma Lerads S.A.S.)
3	CP Pharma (Schweiz) AG	19 Wockhardt France (Holdings) S.A.S.
4	Wallis Group Limited	20 Wockhardt Holding Corp
5	The Wallis Laboratory Limited	21 Morton Grove Pharmaceuticals, Inc.
6	Wockhardt Farmaceutica Do Brasil Ltda	22 MGP Inc.
7	Wallis Licensing Limited	23 Laboratoires Pharma 2000 S.A.S. (formerly Pharma 2000 S.A.S.)
8	Wockhardt Infrastructure Development Limited	24 Niverpharma S.A.S.
9	Z & Z Services (formerly esparma GmbH)	25 Negma Beneulex S.A.
10	Wockhardt Europe Limited	26 Phytex S.A.S.
11	Wockhardt Nigeria Limited	27 Wockhardt Farmaceutica SA DE CV (w.e.f. November 09, 2012)
12	Wockhardt USA LLC w.e.f. October 3, 2008 (formerly Wockhardt USA Inc.)	28 Wockhardt Services SA DE CV (w.e.f. June 21, 2012)
13	Wockhardt UK Limited	29 Wockhardt Bio AG (formerly Wockhardt EU Operations (Swiss) AG)
14	Wockpharma Ireland Limited	30 Wockhardt Bio (R) LLC (w.e.f. August 25, 2015)
15	Pinewood Laboratories Limited	31 Wockhardt Bio Pty Limited (w.e.f. August 19, 2015)
16	Pinewood Healthcare Limited (w.e.f. November 23, 2012)	32 Wockhardt Bio Limited (w.e.f. November 11, 2015)



**Associate Company**

Swiss Biosciences AG (liquidated on April 13, 2015)

**Other parties exercising control**

Humuza Consultants (w.e.f. July 08,2014)\*

\* Themisto Trustee Company Private Limited holds shares in the Company in its capacity as the trustee of Habil Khorakhiwala Trust which in turn holds these shares in its capacity as the partner of the partnership firm Humuza Consultants.

Habil Khorakhiwala Trust (w.e.f. March 22, 2017)\*\*

\*\* Themisto Trustee Company Private Limited holds shares in the Company in its capacity as the trustee of Habil Khorakhiwala Trust.

**b) Other related party relationships where transactions have taken place during the year**

**Enterprises over which Key Managerial Personnel exercise significant influence/control**

The Peace Mission Private Limited w.e.f. 28.12.2016 (formerly Tohfaa Gifting Private Limited)

Palanpur Holdings and Investments Private Limited

Khorakhiwala Holdings and Investments Private Limited - w.e.f. July 08, 2014

Dartmour Holdings Private Limited

Wockhardt Hospitals Limited

Amalthea Consultants (w.e.f. July 08,2014)

Lysithea Consultants (w.e.f. July 08,2014)

HNZ Consultants (w.e.f. July 08,2014)

Amalthea Discretionary Trust (w.e.f. March 23, 2017)

Lysithea Discretionary Trust (w.e.f. March 23,2017)

HNZ Discretionary Trust (w.e.f. March 23, 2017)

Merind Limited

Wockhardt Foundation

Carol Info Services Limited - w.e.f. July 08, 2014

Dr. Habil Khorakhiwala Education and Health Foundation (Trust)-[Wockhardt Global School]

**Key managerial personnel**

H. F. Khorakhiwala - Chairman

Shekhar Datta - Non-Executive Independent Director

Aman Mehta - Non-Executive Independent Director

D S Brar-Non - Executive Independent Director

Sanjaya Baru - Non-Executive Independent Director

Tasneem Mehta - Non-Executive Independent Director

Baldev Raj Arora - Non-Executive Independent Director (w.e.f. May 28, 2015)

Vinesh Kumar Jairath - Additional, Non-Executive Independent Director (w.e.f. November 10, 2016)

Huzaifa Khorakhiwala - Executive Director

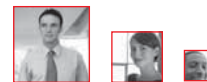
Murtaza Khorakhiwala - Managing Director

**Relatives of Key managerial personnel**

N. H. Khorakhiwala



	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>c) Transactions with related parties during the Year :</b>		
(All the amounts mentioned below for the disclosure are the contractual amounts based on the arrangement with respective parties)		
Management and Technical fees [CP Pharmaceuticals Limited ₹ 0.36 crore (March 31, 2016: ₹ 0.47 crore), Wockhardt USA LLC ₹ 0.24 crore (March 31, 2016: ₹ 0.28 crore), Wockhardt Bio AG ₹ 2.72 crore (March 31, 2016: ₹ 2.71 crore), Pinewood Laboratories Limited ₹ 0.54 crore (March 31, 2016: ₹ 0.67 crore), Wockhardt Farmaceutica SA DE CV. ₹ 0.03 crore (March 31, 2016: ₹ 0.01 crore), Morton Grove Pharmaceuticals, Inc. ₹ 0.27 crore (March 31, 2016: ₹ 0.34 crore)]	<b>4.16</b>	4.48
Sales [CP Pharmaceuticals Limited ₹ 5.27 crore (March 31, 2016: ₹ 0.68 crore), Wockhardt Bio AG ₹ 290.68 crore (March 31, 2016: ₹ 232.23 crore), Pinewood Laboratories Limited ₹ 67.54 crore (March 31, 2016: ₹ 34.36 crore), Laboratoires Negma S.A.S. ₹ 2.08 crore (March 31, 2016: ₹ Nil), Morton Grove Pharmaceuticals, Inc. ₹ Nil (March 31, 2016: ₹ 1.60 crore), Wockhardt Farmaceutica SA DE CV ₹ 1.59 crore (March 31, 2016: ₹ Nil), Wockhardt Bio (R) LLC ₹ 23.49 crore (March 31, 2016: ₹ Nil)]	<b>390.65</b>	268.87
Interest Income from Wockhardt Infrastructure Development Limited	<b>1.07</b>	1.41
Rent and Utility fees to Wockhardt Infrastructure Development Limited	<b>33.86</b>	35.31
Outlicensing fees income from Wockhardt Bio AG	<b>114.41</b>	133.25
Research and Development service income from Wockhardt Bio AG	<b>31.11</b>	99.98
Guarantee fees income from Wockhardt Bio AG	<b>10.72</b>	2.11
Dividend income from Wockhardt Bio AG	<b>171.11</b>	-
Land Premium to Wockhardt Infrastructure Development Limited	<b>0.16</b>	0.16
Purchase of fixed assets from Pinewood Laboratories Limited	-	0.64
Expenses recovered [Morton Grove Pharmaceuticals, Inc. ₹ Nil (March 31, 2016: ₹ 0.002 crore), Wockhardt USA LLC ₹ 0.02 crore (March 31, 2016: ₹ Nil), Wockhardt Bio AG ₹ 50.03 crore (March 31, 2016: ₹ 14.97 crore), Wockhardt Farmaceutica SA DE CV. ₹ 0.24 crore (March 31, 2016: ₹ 0.65 crore), CP Pharmaceuticals Limited ₹ 0.03 crore (March 31, 2016: ₹ 0.01 crore), Pinewood Laboratories Limited ₹ 0.02 crore (March 31, 2016: ₹ Nil), Wockhardt Bio (R) LLC ₹ 0.02 crore (March 31, 2016: ₹ Nil), Laboratoires Negma S.A.S. ₹ 0.02 crore (March 31, 2016: ₹ Nil)]	<b>50.38</b>	15.63
Reimbursement of expenses [Wockhardt Bio AG ₹ 0.44 crore (March 31, 2016: ₹ 0.43 crore), CP Pharmaceuticals Limited ₹ 1.13 crore (March 31, 2016: ₹ 0.35 crore), Wockhardt UK Limited ₹ 0.14 crore (March 31, 2016: ₹ Nil), Wockhardt USA LLC ₹ 18.00 crore (March 31, 2016: ₹ 13.28 crore), Pinewood Laboratories Limited ₹ Nil (March 31, 2016: ₹ 1.48 crore), Wockhardt Nigeria Limited ₹ Nil (March 31, 2016: ₹ 0.47 crore), Wockhardt Bio (R) LLC ₹ 2.67 crore (March 31, 2016: ₹ Nil)]	<b>22.38</b>	16.01
Loans/Advances given to Wockhardt Infrastructure Development Limited	<b>17.29</b>	31.22
Loans/Advances recovered from Wockhardt Infrastructure Development Limited	<b>26.34</b>	27.36
Security Deposit given to Wockhardt Infrastructure Development Limited	<b>0.01</b>	-
Security Deposit repaid by Wockhardt Infrastructure Development Limited	<b>0.01</b>	-
Advances Received against Export of Goods and Services from Wockhardt Bio AG	<b>57.61</b>	44.60
Advances adjusted against export of Goods and Services/repaid to Wockhardt Bio AG	<b>258.61</b>	455.55



	For the year ended March 31, 2017	For the year ended March 31, 2016
Corporate guarantees/comfort for financial assistance given on behalf of subsidiaries/step down subsidiaries - refer note 50(f) and 51		
<b>Key managerial personnel</b>		
Remuneration paid/payable [Chairman ₹ 1.48 crore (March 31, 2016: ₹ 1.48 crore), Managing Director ₹ 1.49 crore (March 31, 2016: ₹ 1.49 crore), Executive Director ₹ 1.49 crore (March 31, 2016: ₹ 1.49 crore)]	<b>4.46</b>	4.46
Dividend paid [Chairman ₹ 0.44 crore (March 31, 2016: ₹ Nil), Managing Director ₹ 0.23 (March 31, 2016: - ₹ Nil), Executive Director ₹ 0.22 crore (March 31, 2016: ₹ Nil)]	<b>0.89</b>	-
Director sitting fee paid [Shekhar Datta ₹ 0.09 crore (March 31, 2016: ₹ 0.12 crore), D S Brar ₹ 0.12 crore (March 31, 2016: ₹ 0.12 crore), Sanjaya Baru ₹ 0.12 crore (March 31, 2016: ₹ 0.12 crore), Tasneem Mehta ₹ 0.12 crore (March 31, 2016: ₹ 0.12 crore), Baldev Raj Arora ₹ 0.12 crore (March 31, 2016: ₹ 0.11 crore), Aman Mehta ₹ 0.12 crore (March 31, 2016: ₹ 0.12 crore), Vinesh Kumar Jairath ₹ 0.04 crore (March 31, 2016: ₹ Nil)]	<b>0.73</b>	0.71
<b>Relatives of Key managerial personnel</b>		
Dividend paid	<b>0.003</b>	-
<b>Other parties exercising control</b>		
Dividend paid to Humuza Consultants.	<b>65.90</b>	-
<b>Enterprise over which Key Managerial Personnel exercise significant influence/ Control</b>		
Rent paid [Palanpur Holdings and Investments Private Limited ₹ 0.92 crore (March 31, 2016: ₹ 1.04 crore), Wockhardt Hospitals Limited ₹ 0.72 crore (March 31, 2016: ₹ 0.82 crore), Carol Info Services Limited ₹ 62.25 crore (March 31, 2016: ₹ 66.46 crore)]	<b>63.89</b>	68.32
Contribution and reimbursement of expenses given to Wockhardt Foundation	<b>7.92</b>	8.00
Advance to Wockhardt Foundation	<b>0.39</b>	-
Donation paid to Habil Khorakiwala Education and Health Trust	<b>0.39</b>	-
Reimbursement of Expenses [Wockhardt Hospitals Limited ₹ 0.17 crore (March 31, 2016: ₹ 0.13 crore), Carol Info Services Limited ₹ 1.58 crore (March 31, 2016: ₹ 1.83 crore), The Peace Mission Private Limited ₹ 0.34 crore (March 31, 2016: ₹ Nil)]	<b>2.09</b>	1.96
Security deposit given to Carol Info Services Limited	-	9.00
Rent income [Wockhardt Hospitals Limited ₹ 0.02 crore (March 31, 2016: ₹ 0.01 crore), Wockhardt Foundation ₹ 0.01 crore (March 31, 2016: ₹ Nil), Wockhardt Global School ₹ 0.01 crore (March 31, 2016: ₹ Nil)]	<b>0.04</b>	0.01
Recovery of expenses from Palanpur Holdings and Investments Private Limited	<b>0.002</b>	-
Dividend paid [Khorakiwala Holdings and Investments Private Limited ₹ 0.01 crore (March 31, 2016: ₹ 0.01 crore), Amalthea Consultants ₹ 5.0 crore (March 31, 2016: ₹ Nil), Lysithea Consultants ₹ 5.0 crore (March 31, 2016: ₹ Nil), HNZ Consultants ₹ 5.2 crore (March 31, 2016: ₹ Nil)]	<b>15.21</b>	0.01



	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>d) Related party balances</b>			
(All the amounts mentioned below for the disclosure are the contractual amounts based on the arrangement with respective parties. Where such amounts are different from carrying amount as per Ind AS Financial Statement, their carrying value have been separately disclosed in brackets)			
Receivable from subsidiary companies [Z&Z Services GmbH ₹ 0.07 crore (March 31, 2016: ₹ 0.08 crore; April 01, 2015 ₹ 0.07 crore), Wockhardt Infrastructure Development Limited ₹ 18.67 crore (March 31, 2016: ₹ 33.18 crore; April 01, 2015 : ₹ 34.78 crore), Pinewood Laboratories Limited ₹ Nil (March 31, 2016: ₹ 26.48 crore; April 01, 2015 : ₹ 10.74 crore), Laboratoires Negma S.A.S. ₹ 0.58 crore (March 31, 2016 : ₹ 0.48 crore; April 01, 2015 : ₹ 2.24 crore), Wockhardt Bio (R) LLC ₹ 20.29 crore (March 31, 2016: ₹ Nil ; April 01, 2015 : ₹ Nil), Wockhardt Farmaceutica SA DE CV. ₹ 4.82 crore (March 31, 2016: ₹ 3.09 crore, April 01, 2015 : ₹ 2.29 crore)]	<b>44.43</b>	63.31	50.12
Payable to subsidiary companies [CP Pharmaceuticals Limited ₹ 10.51 crore (March 31, 2016: ₹ 14.34 crore; April 01, 2015: ₹ 16.89 crore), Wockhardt UK Limited ₹ 4.21 crore (March 31, 2016 : ₹ 4.81 crore; April 01, 2015 : ₹ 4.66 crore), Wockhardt France (Holdings) S.A.S ₹ Nil (March 31, 2016 : ₹ 1.36 crore; April 01, 2015 : ₹ 1.21 crore), Wockhardt USA LLC ₹ 23.49 crore (March 31, 2016: ₹ 12.90 crore; April 01, 2015: ₹ 15.58 crore), Pinewood Laboratories Limited ₹ 3.08 crore (March 31, 2016: ₹ Nil; April 01, 2015: ₹ Nil), Morton Grove Pharmaceuticals, Inc. ₹ 1.32 crore (March 31, 2016: ₹ 1.20 crore; April 01, 2015 ; ₹ 1.86 crore)]	<b>42.61</b>	34.61	40.20
Payable to Wockhardt Bio AG - Transaction value [Carrying amount ₹ 567.22 crore; March 31, 2016 : ₹ 723.72 crore; April 01, 2015 : ₹ 1,185.22 crore]	<b>566.00</b>	723.40	1,181.71
Security deposit given to Wockhardt Infrastructure Development Limited - Transaction value [Carrying amount ₹ 4.32 crore (March 31, 2016 : ₹ 4.00 crore; April 01, 2015 : 3.70 crore)]	<b>16.85</b>	16.85	16.85
Security deposit given to Carol Info Services Limited - Transaction value [Carrying amount ₹ 28.18 crore (March 31, 2016 : ₹ 26.15 crore; April 01, 2015 : ₹ 17.09 crore)]	<b>55.50</b>	55.50	46.50
Payable to Enterprises over which Key Managerial Personnel exercise significant influence/Control [Wockhardt Hospitals Limited ₹ 0.68 crore (March 31, 2016 : ₹ 0.23 crore; April 01, 2015 : ₹ 0.18 crore), Carol Info Services Limited ₹ 24.16 crore (March 31, 2016: ₹ 21.41 crore; April 01, 2015: ₹ 13.34 crore)]	<b>24.84</b>	21.64	13.52
Receivable from Enterprises over which Key Managerial Personnel exercise significant influence/control [Merind Limited ₹ 0.57 crore (March 31, 2016: ₹ 0.57 crore; April 01, 2015: ₹ 0.57 crore), Wockhardt Foundation ₹ 0.001 crore (March 31, 2016: ₹ Nil; April 01, 2015: ₹ Nil), Palanpur Holdings and Investments Private Limited ₹ 0.002 crore (March 31, 2016: - ₹ Nil; April 01, 2015: ₹ Nil)]	<b>0.57</b>	0.57	0.57
Security deposit given to Palanpur Holdings and Investments Private Limited	<b>2.75</b>	2.75	2.75
Advance given to Wockhardt Foundation	<b>0.39</b>	-	-
Payable to Key Managerial personnel [Managing Director : ₹ Nil (March 31, 2016: ₹ Nil; April 01: 2015: ₹ 0.23 crore), Executive Director : ₹ Nil (March 31, 2016: ₹ Nil; April 01: 2015: ₹ 0.23 crore)]	-	-	0.46



#### 46. SHARE BASED PAYMENTS TO EMPLOYEES

The Compensation Committee of the Board of Directors has, under Wockhardt Stock Option Scheme -2011 ('the Scheme' or 'ESOS') granted 60,000 options @ ₹ 397/- per option (Grant 1), another 60,000 options @ ₹ 365/- per option (Grant 2), 1,420,000 options @ ₹ 5/- per option (Grant 3), 350,000 options @ ₹ 5/- per option (Grant 4), 8,500 options @ ₹ 5/- per option (Grant 5), 200,000 options @ ₹ 5/- per option (Grant 6), and 223,500 options @ ₹ 5/- per option (Grant 7) in accordance with the provisions of Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014, to the selected employees (including Independent Directors) of the Company and its subsidiaries. The method of settlement is by issue of equity shares to the selected employees (including Independent Directors) who have exercised the options. The scheme shall be administered by the compensation committee of Board of directors.

The options issued vests in periods ranging 1 year and 7 years 3 months from the date of grant, and can be exercised during such period not exceeding 7 years.

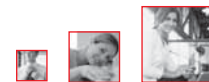
Employee stock option activity under Scheme 2011 is as follows:

	For the year ended March 31, 2017	For the year ended March 31, 2016
a) Outstanding at beginning of the year	698,750	1,243,500
b) Granted during the year *	223,500	-
c) Lapsed during the year (re -issueable)	-	108,750
d) Exercised during the year	39,125	436,000
e) Outstanding at the end of the year :	883,125	698,750
of which Options vested and exercisable at the end of the year	389,275	264,500
Weighted average share price on the date of exercise per share	₹ 948.70	-
Weighted average share price for the period	-	1,310.54
Range of weighted average fair value of options on the date of grant per share	₹ 106.47 - ₹ 1,949.76	

No option have been forfeited during the year or in the previous year.

	For the year ended March 31, 2017	For the year ended March 31, 2016
Net profit as reported in Statement of Profit and Loss	137.12	8.34
Basic earnings per share as reported (₹)	12.40	0.75
Diluted earnings per share as reported (₹)	12.26	0.75
Fair value of the options have been computed as per the Black Scholes Pricing Model		
The key assumptions used to estimate the fair value of options are :		
Range of stock price at the time of option grant (₹ Per share)	₹ 414 – ₹ 1,954.20	₹ 414 – ₹ 1,954.20
Range of expected life	1.50 years – 7.75 years	1.50 years – 7.75 years
Range of risk free interest rate	7.43% – 8.64 %	7.86% – 8.64 %
Range of Volatility	36% – 88%	36% – 88%
Range of weighted average exercise price (₹ Per share)	₹ 5 – ₹ 37.65	₹ 5 – ₹ 37.65
Range of Weighted average remaining contractual life	4.01 years – 10.46 years	3.01 years – 10.21 years
The working of price relatives has been done by taking historical price movement of the closing prices which includes change in price due to dividend, hence dividend is not factored separately. Volatility is based on the movement of stock price on NSE based on the price data for last 12 months upto the grant date.		
*The key assumptions used to estimate the fair value of options granted during the year:		
Range of stock price at the time of option grant (₹ Per share)	970.80	
Range of expected life	2 to 6.5	
Range of risk free interest rate	7.43%	
Range of Volatility	59%	





#### 47. FINANCIAL INSTRUMENTS - FAIR VALUES

##### A. 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.

March 31, 2017	Carrying amount				Total Fair value
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised Cost	Total	Total
<b>Assets</b>					
Investments	0.45	–	–	0.45	0.45
Other Non-Current Financial Assets	–	–	57.65	57.65	71.09
Trade receivables	–	–	342.83	342.83	342.83
Cash and cash equivalents	–	–	23.59	23.59	23.59
Bank balance (other than above)	–	–	636.19	636.19	636.19
Loans	–	–	9.22	9.22	9.22
Others	–	–	60.00	60.00	60.00
<b>Total</b>	<b>0.45</b>	<b>–</b>	<b>1,129.48</b>	<b>1,129.93</b>	<b>1,143.37</b>
<b>Liabilities</b>					
Borrowings	–	–	1,942.25	1,942.25	1,946.16
Trade payables	–	–	346.35	346.35	346.35
Others (excluding Mark to Market on Derivatives)	–	–	303.04	303.04	303.04
Derivatives - Mark to market on Derivatives	1.36	–	–	1.36	1.36
<b>Total</b>	<b>1.36</b>	<b>–</b>	<b>2,591.64</b>	<b>2,593.00</b>	<b>2,596.91</b>

March 31, 2017	Fair value			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b>Assets</b>				
Investments	–	–	0.45	0.45
Other Non-Current Financial Assets	–	71.09	–	71.09
Trade receivables	–	–	–	–
Cash and cash equivalents	–	–	–	–
Bank balance (other than above)	–	–	–	–
Loans	–	–	–	–
Others	–	–	–	–
<b>Total</b>	<b>–</b>	<b>71.09</b>	<b>0.45</b>	<b>71.54</b>
<b>Liabilities</b>				
Borrowings	–	1,946.16	–	1,946.16
Trade payables	–	–	–	–
Others (excluding Mark to Market on Derivatives)	–	–	–	–
Derivatives - Mark to market on Derivatives	–	1.36	–	1.36
<b>Total</b>	<b>–</b>	<b>1,947.52</b>	<b>–</b>	<b>1,947.52</b>



March 31, 2016	Carrying amount				Total Fair value
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised Cost	Total	Total
<b>Assets</b>					
Investments	0.45	–	–	0.45	0.45
Other Non-Current Financial Assets	–	–	45.35	45.35	48.32
Trade receivables	–	–	270.56	270.56	270.56
Cash and cash equivalents	–	–	22.47	22.47	22.47
Bank balance (other than above)	–	–	812.92	812.92	812.92
Loans	–	–	18.27	18.27	18.27
Others	–	–	123.17	123.17	123.17
<b>Total</b>	<b>0.45</b>	<b>–</b>	<b>1,292.74</b>	<b>1,293.19</b>	<b>1,296.16</b>
<b>Liabilities</b>					
Borrowings	–	–	1,982.87	1,982.87	1,987.55
Trade payables	–	–	332.50	332.50	332.50
Others	–	–	146.82	146.82	146.82
<b>Total</b>	<b>–</b>	<b>–</b>	<b>2,462.19</b>	<b>2,462.19</b>	<b>2,466.87</b>

March 31, 2016	Fair value			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Investments	–	–	0.45	0.45
Other Non-Current Financial Assets	–	48.32	–	48.32
Trade receivables	–	–	–	–
Cash and cash equivalents	–	–	–	–
Bank balance (other than above)	–	–	–	–
Loans	–	–	–	–
Others	–	–	–	–
<b>Total</b>	<b>–</b>	<b>48.32</b>	<b>0.45</b>	<b>48.77</b>
<b>Liabilities</b>				
Borrowings	–	1,987.55	–	1,987.55
Trade payables	–	–	–	–
Others	–	–	–	–
<b>Total</b>	<b>–</b>	<b>1,987.55</b>	<b>–</b>	<b>1,987.55</b>



April 01, 2015	Carrying amount				Total Fair value
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised Cost	Total	Total
<b>Assets</b>					
Investments	0.45	–	–	0.45	0.45
Other Non-Current Financial Assets	–	–	135.29	135.29	135.18
Trade receivables	–	–	188.28	188.28	188.28
Cash and cash equivalents	–	–	636.48	636.48	636.48
Bank balance (other than above)	–	–	42.01	42.01	42.01
Loans	–	–	14.41	14.41	14.41
Others	–	–	4.66	4.66	4.66
<b>Total</b>	<b>0.45</b>	<b>–</b>	<b>1,021.13</b>	<b>1,021.58</b>	<b>1,021.47</b>
<b>Liabilities</b>					
Borrowings	–	–	1,080.05	1,080.05	1,081.22
Trade payables	–	–	344.40	344.40	344.40
Others	–	–	121.66	121.66	121.66
<b>Total</b>	<b>–</b>	<b>–</b>	<b>1,546.11</b>	<b>1,546.11</b>	<b>1,547.28</b>

April 01, 2015	Fair value			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Investments	–	–	0.45	0.45
Other Non-Current Financial Assets	–	135.18	–	135.18
Trade receivables	–	–	–	–
Cash and cash equivalents	–	–	–	–
Bank balance (other than above)	–	–	–	–
Loans	–	–	–	–
Others	–	–	–	–
<b>Total</b>	<b>–</b>	<b>135.18</b>	<b>0.45</b>	<b>135.63</b>
<b>Liabilities</b>				
Borrowings	–	1,081.22	–	1,081.22
Trade payables	–	–	–	–
Others	–	–	–	–
<b>Total</b>	<b>–</b>	<b>1,081.22</b>	<b>–</b>	<b>1,081.22</b>

**B. Measurement of fair values:**

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The fair values of the loans taken from banks and other parties, and preference shares is estimated by discounting cash flows using rates currently available for debt/instruments on similar terms, credit risks and remaining maturities. Management regularly assesses a range of reasonably possible alternatives for those significant observable inputs and determines their impact on the total fair value.
- The fair value of Investment in Unquoted Equity shares of Narmada Clean Tech Limited (formerly known as Bharuch Eco-Aqua Infrastructure Limited) and Bharuch Enviro Infrastructure Limited are taken as cost of acquisition considering the statutory requirement of regulatory authorities relating to purchase and restriction on transfer. The change in the unobservable inputs for unquoted equity instruments does not have a significant impact in its value.



The following tables show the valuation techniques used in measuring Level 2 fair values, as well as the significant inputs used.

**Financial instruments measured at fair value**

Type	Valuation technique
Preference shares	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.
Security deposits against lease	
Guarantee commission	
Mark to Market on Derivatives	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currency.

**48. FINANCIAL RISK MANAGEMENT**

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

**i. Risk management framework**

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's Risk Management Framework encompasses practices relating to the identification, analysis, evaluation, treatment, mitigation and monitoring of the strategic, external and operational controls risks in achieving key business objectives.

The Company has laid down the procedure for risk assessment and their mitigation through an internal Risk Committee. Key risks and their mitigation arising out of periodic reviews by the Committee are assessed and reported to the Audit Committee, on a periodic basis.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to policies and procedures.

The Company has an independent Internal Audit and assurance team. There is a practice of reviewing various key select risks and report to Audit Committee from time to time.

**Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred and expected losses in respect of trade and other receivables and investments.

**Trade and other receivables**

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 credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

As at March 31, 2017, March 31, 2016 and April 01, 2015, the Company did not have any significant concentration of credit risk with any external customers.

**Expected credit loss assessment for customers as at April 01, 2015, March 31, 2016 and March 31, 2017:**

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available information etc.) and applying experienced credit judgement.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.



The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

March 31, 2017	Net carrying amount	Weighed average loss rate
Not due not impaired	181.83	0.89%
Past due 1-180 days	48.39	5.25%
Past due 181-360 days	68.53	19.91%
More than 360 days	44.08	93.28%
	<b>342.83</b>	

March 31, 2016	Net carrying amount	Weighed average loss rate
Not due not impaired	128.89	0.62%
Past due 1-180 days	71.40	20.08%
Past due 181-360 days	57.25	20.02%
More than 360 days	13.02	89.64%
	<b>270.56</b>	

April 01, 2015	Net carrying amount	Weighed average loss rate
Not due not impaired	98.26	0.58%
Past due 1-180 days	40.73	27.21%
Past due 181-360 days	49.27	71.70%
More than 360 days	0.02	97.68%
	<b>188.28</b>	

The movement in the loss allowance in respect of trade and other receivables during the year was as follows:

	As at March 31, 2017	As at March 31, 2016
Opening Balance	64.20	67.93
Impairment loss recognised	3.41	(3.73)
Bad debts	(3.68)	-
Closing Balance	<b>63.93</b>	64.20

The Management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

#### Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 23.59 crore at March 31, 2017 (March 31, 2016: ₹ 22.47 crore; April 01, 2015: ₹ 636.48 crore). The cash and cash equivalents are held with bank and financial institution counterparties with good credit rating.

#### Derivatives

The forward contract has been entered into with banks /financial institution counterparties with good credit rating.

#### Others

Other than trade receivables reported above, the Company has no other financial assets that is past due but not impaired.



## ii. Liquidity risk

Liquidity risk is 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 Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities. The Company monitors the net liquidity position through forecasts on the basis of expected cash flows.

The Company has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Company has access to funds from debt markets. The Company invests its surplus funds in bank fixed deposit.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

March 31, 2017	Carrying amount	Contractual cash flows			
		Total	0-12 months	1-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>					
Term loans from banks/Financial Institutions (including interest)	1,146.22	1,388.62	244.98	1,078.63	65.01
Other borrowings	478.46	546.23	176.72	369.51	–
Working capital loans from banks	485.69	485.69	485.69	–	–
Trade payables and other Current Financial Liabilities	482.63	482.63	482.63	–	–
Derivative financial liabilities - for hedging Forward exchange contracts (gross settled)	–	–	–	–	–
– Outflow	(32.44)	(32.44)	(32.44)	–	–
– Inflow	33.78	33.78	33.78	–	–
	<b>2,594.34</b>	<b>2,904.51</b>	<b>1,391.36</b>	<b>1,448.14</b>	<b>65.01</b>

Also issued financial guarantee for loan taken by its subsidiary amounting to ₹ 1,946.25 crore which is repayable by January 2022 \*

March 31, 2016	Carrying amount	Contractual cash flows			
		Total	0-12 months	1-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>					
Term loans from banks/Financial Institutions (including interest)	1,159.26	1,468.27	79.65	1,078.12	310.50
Other borrowings	410.85	509.43	138.46	370.53	0.44
Working capital loans from banks	414.32	414.32	414.32	–	–
Trade payables and other Current Financial Liabilities	477.76	477.76	477.76	–	–
Derivative financial liabilities - for hedging Forward exchange contracts (gross settled)	–	–	–	–	–
– Outflow	–	–	–	–	–
– Inflow	–	–	–	–	–
	<b>2,462.19</b>	<b>2,869.78</b>	<b>1,110.19</b>	<b>1,448.65</b>	<b>310.94</b>

Also issued financial guarantee for loan taken by its subsidiary amounting to ₹ 62.12 crore which is repayable by May 2016.\*



April 01, 2015	Carrying amount	Contractual cash flows			
		Total	0-12 months	1-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>					
Term loans from banks/Financial Institutions (including interest)	562.50	779.24	22.80	483.42	273.02
Other borrowings	338.23	464.57	91.84	371.84	0.89
Working capital loans from banks	181.08	181.08	181.08	–	–
Trade payables and other Current Financial Liabilities	464.30	464.30	464.30	–	–
Derivative financial liabilities - for hedging	–	–	–	–	–
Forward exchange contracts (gross settled)					
– Outflow	–	–	–	–	–
– Inflow	–	–	–	–	–
	<b>1,546.11</b>	<b>1,889.19</b>	<b>760.02</b>	<b>855.26</b>	<b>273.91</b>

Also issued financial guarantee for loan taken by its subsidiary amounting to ₹ 449.22 crore which is repayable by May 2016.\*

\* Guarantees issued by the Company on behalf of subsidiaries are with respect to borrowings raised by the respective subsidiary. These amounts will be payable on default by the concerned subsidiary. As of the reporting date, none of the subsidiary have defaulted and hence, the Company does not have any present obligation to third parties in relation to such guarantees.

### iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and other prices such as equity price. These will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. Financial instruments affected by market risk include loans, borrowings and deposits. The Market risk the Company is exposed can be classified as Currency risk and Interest rate risk .

#### a) Currency risk:

The Company is exposed to currency risk on account of its operations in other countries. The functional currency of the Company is Indian Rupee. The Foreign currency exchange rate exposure is partly balanced by foreign exchange contracts and through natural hedge. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

As per the policy defined by the Board of Directors and monitored by a committee as nominated by Board, the company enters into foreign currency forward contracts which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables/ receivables.

The company also enters into derivative contracts in order to hedge and manage its foreign currency exposures towards future loan repayment.





### Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2017, March 31, 2016 and April 01, 2015 are as below:

Particulars	Currency	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
		Amount in Foreign Currency (in million)	₹ in crore	Amount in Foreign Currency (in million)	₹ in crore	Amount in Foreign Currency (in million)	₹ in crore
Loan Availed	EUR	8.76	60.73	10.26	77.43	8.33	55.90
	JPY	183.00	10.61	183.00	10.80	136.00	7.10
	USD	115.65	750.28	106.98	708.82	93.98	587.36
	GBP	0.13	1.07	0.13	1.26	0.13	1.23
Interest Payable	EUR	0.01	0.09	0.02	0.18	0.03	0.18
	USD	1.19	7.70	0.94	6.20	0.02	0.10
	GBP	0.0001	0.001	0.0001	0.001	0.001	0.01
	JPY	0.06	0.00	0.53	0.03	0.06	0.003
Trade Receivables	ACU	-	-	0.05	0.35	0.02	0.12
	AUD	0.01	0.07	0.01	0.07	0.01	0.07
	CHF	0.03	0.20	0.03	0.21	0.03	0.20
	EUR	0.87	6.03	4.63	34.98	2.71	18.22
	GBP	3.34	26.99	1.26	12.03	0.004	0.04
	USD	19.68	127.70	22.66	150.17	15.47	96.72
	RUB	543.38	62.40	608.90	60.26	130.63	14.13
Loans and Advances and Other Receivables	USD	9.63	62.44	16.50	109.32	15.82	98.88
	CHF	0.05	0.34	-	-	-	-
Trade payables and Other Liabilities	ACU	0.00	0.03	0.01	0.03	0.004	0.03
	CHF	0.02	0.11	0.35	2.42	2.81	17.98
	EUR	3.99	27.67	2.42	18.29	2.34	15.68
	GBP	2.24	18.10	2.20	21.03	2.46	22.75
	JPY	0.93	0.05	1.39	0.08	48.43	2.53
	USD	13.65	88.56	13.03	86.32	11.82	73.87
	RUB	57.96	6.66	99.91	9.89	29.09	3.15
	AED	-	-	-	-	0.003	0.01
	SGD	0.0002	0.001	-	-	-	-
Bank	GBP	0.00	0.00	0.00	0.00	4.00	37.00
	USD	0.04	0.28	0.04	0.28	1.95	12.22
Derivatives	USD	5.00	33.78	-	-	-	-

### Sensitivity analysis

A reasonably possible strengthening/(weakening) of the Indian Rupee against various currencies mentioned in table below at March 31 would have affected the measurement of financial instruments denominated in other currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.



Effect in ₹ March 31, 2017 5 % movement	Profit or loss before tax Gain/(Loss)		Equity, gross of tax Increase/(Decrease)	
	Strengthening of ₹	Weakening of ₹	Strengthening of ₹	Weakening of ₹
USD	(0.35)	0.35	32.44	(32.44)
GBP	(0.39)	0.39	-	-
EUR	3.28	(3.28)	-	-
RUB	(2.79)	2.79	-	-
Others	0.51	(0.51)	-	-
	<b>0.26</b>	<b>(0.26)</b>	<b>32.44</b>	<b>(32.44)</b>

Effect in ₹ March 31, 2016 5 % movement	Profit or loss before tax Gain/(Loss)		Equity, gross of tax Increase/(Decrease)	
	Strengthening of ₹	Weakening of ₹	Strengthening of ₹	Weakening of ₹
USD	(6.36)	6.36	33.13	(33.13)
EUR	3.04	(3.04)	-	-
GBP	0.51	(0.51)	-	-
RUB	(2.52)	2.52	-	-
Others	0.64	(0.64)	-	-
	<b>(4.69)</b>	<b>4.69</b>	<b>33.13</b>	<b>(33.13)</b>

**b) Interest rate risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

**Exposure to interest rate risk**

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

	Nominal amount As at March 31, 2017	Nominal amount As at March 31, 2016	Nominal amount As at April 01, 2015
<b>Variable-rate instruments</b>			
Financial liabilities	<b>1,631.91</b>	1,573.58	743.58
	<b>1,631.91</b>	1,573.58	743.58
<b>Fixed-rate instruments</b>			
Financial liabilities	<b>478.46</b>	410.84	338.23
	<b>478.46</b>	410.84	338.23

**Cash flow sensitivity analysis for variable-rate instruments**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

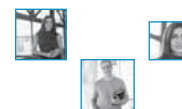
**Variable-rate instruments**

Particulars	Impact on Profit/ (loss)- Increase / (Decrease) in Profit	
	For the year ended March 31, 2017	For the year ended March 31, 2016
100 bp increase	<b>(16.32)</b>	(15.74)
100 bp decrease	<b>16.32</b>	15.74

**49. CAPITAL MANAGEMENT**

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual and long-term strategic plans. The Company's policy is aimed at combination of short-term and long-term borrowings.



The Company monitors the capital structure on the basis of 'adjusted net debt' to 'adjusted equity'. For this purpose adjusted net debt is defined as total liabilities comprising interest bearing loans and borrowings and obligations under finance lease, less cash and cash equivalents, Bank balance and current investments. Adjusted equity comprises Total equity (other than amounts accumulated in the hedging reserve, if any.)

The following table summarizes the capital of the Company:

	As at March 31, 2017	As at March 31, 2016	As at 01 April, 2015
Total liabilities	<b>2,110.37</b>	1,984.42	1,081.81
Less : Cash and cash equivalent and other bank balances	<b>659.78</b>	835.39	678.49
<b>Adjusted net debt</b>	<b>1,450.59</b>	1,149.03	403.32
Total equity	<b>1,219.32</b>	1,167.96	1,174.35
<b>Adjusted equity</b>	<b>1,219.32</b>	1,167.96	1,174.35
Adjusted net debt to adjusted equity ratio	<b>1.19</b>	0.98	0.34

#### 50. CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)

- (a) Demands by Central Excise authorities in respect of Classification/ Valuation/ Cenvat Credit related disputes; stay orders have been obtained by the Company in case of demands which have been confirmed ₹ 34.84 crore (March 31, 2016 - ₹ 28.10 crore; April 01, 2015 ₹ 30.45 crore).
- (b) Demand by Income tax authorities ₹ 207.63 crore (March 31 2016 - ₹ 70.10 crore; April 01, 2015 ₹ 70.00 crore) disputed by the Company.
- (c) Demand by Sales Tax authorities ₹ 60.46 crore (March 31, 2016 - ₹ 20.03 crore; April 01, 2015 ₹ 12.60 crore) disputed by the Company (including ₹ 1.33 crore on account of amalgamation in April 01, 2015).
- (d) Claims against Company not acknowledged as debt in respect of electricity expense ₹ 5.85 crore (March 31, 2016 - ₹ 5.24 crore; April 01, 2015 ₹ 4.65 crore) and interest expense ₹ 4.59 crore (March 31, 2016 - ₹ 4.68 crore; April 01, 2015 - ₹ Nil)
- (e) Demand from National Pharmaceutical Pricing Authority (NPPA) in respect of overcharging of certain products disputed by the Company ₹ 7.30 crore (March 31, 2016 - ₹ 7.30 crore; April 01, 2015 - ₹ 7.30 crore)
- (f) Comfort to extend financial support, subject to certain approvals, to one of its subsidiaries towards credit facilities availed by the subsidiary, the impact of which is currently not ascertainable.
- (g) One of the customer of a step down subsidiary of the Company has brought a claim relating to a commercial dispute over a contract which is sub-judice. The case has been heard in court, however judgement is currently pending. Since the ultimate outcome of the matter cannot presently be determined, no provision for any liability, that may arise, has been made in the financial statements.
- (h) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 49.75 crore (March 31, 2016 - ₹ 127.64 crore; April 01, 2015 - ₹ 113.47 crore) after deducting advance on capital account of ₹ 9.17 crore (March 31, 2016 - ₹ 28.98 crore; April 01, 2015 - ₹ 17.37 crore).

51. a) During the year Company has given corporate guarantee of ₹ 1,946.25 crore (March 31, 2016- - Nil, April 01, 2015- Nil) for USD 250 Million loan availed by Wockhardt Bio AG

Loan availed by Wockhardt Bio AG of USD 250 million (₹ 1621.88 crore) [Previous Year - USD Nil (₹ Nil)] is secured as under:

- i) First ranking charge on fixed assets (excluding Intangible assets) and current assets of Wockhardt Bio AG and its subsidiaries (except Wockpharma Ireland Ltd. and its Subsidiaries and Wockhardt France (Holdings) S.A.S. and its Subsidiaries)
  - ii) First ranking charge on fixed assets of Wockhardt Limited situated at Kadaiya in Daman and Baddi in Himachal Pradesh and on Fixed Deposits of ₹ 45 crores in India.
- b) Corporate Guarantee given in earlier years on behalf of a subsidiary in respect of credit facilities amounts to ₹ Nil (March 31, 2016- - ₹ 62.12 crore, April 01, 2015- ₹ 449.22 crore). This comprises corporate guarantee given by the Company and Wockhardt UK Holdings Limited against loan of USD Nil (March 31, 2016-USD 9.38 million, April 01, 2015- USD 71.88 million) amounting to ₹ Nil (March 31, 2016- - ₹ 62.12 crore, April 01, 2015- ₹ 449.22 crore) taken by Wockhardt Bio AG in earlier years. The said loan had been fully repaid during the year.

52. Bank guarantees issued against various liabilities/obligations ₹ 20.75 crore (March 31, 2016 - ₹ 24.35 crore; April 01, 2015 ₹ 31.72 crore).

53. Exchange fluctuation for the year includes Mark to market loss of ₹ 1.36 crore (Previous year: ₹ Nil) accounted for on the forward contract.



54. As part of Corporate Social Responsibility (CSR), the Company had made voluntary contribution of ₹ 7.92 crore (Previous year : ₹ 8.00 crore) during the year for spending on CSR activities to Wockhardt Foundation and included the same in Note 32 under "Miscellaneous expenses," being contribution and other expenses (Also Refer note 45). No amount has been incurred by the Company towards construction/ acquisition of any assets.
55. The Company's New Chemical Entity ("NCE") research program continued to get major boost during the Financial Year 2016-17 with US Food and Drugs Administrator ("US FDA") granting abridged clinical trial for Phase III for Wockhardt's Superdrug antibiotic WCK 5222.

In August, 2016, the Company received Import Alert 66-40 on its API facility (Active Pharmaceuticals Ingredients) located at Ankleshwar, Gujarat. However, in September, 2016, US FDA excluded product 'Ceftriazone Sodium' from import alert from the same plant enabling the Company to continue to manufacture and sell the same (both API and formulation) in the US market.

During the year, on a significant positive, the Company received approvals of UK MHRA for its manufacturing facility at L-1, Chikalhana, Aurangabad and reduced the inspection frequency to 2 years from existing frequency of 1 year. UK MHRA also has confirmed compliance with the principles and guidelines of GMP for the Company's manufacturing facility at Kadaiya, Daman. HPRA (Health Products Regulatory Authority), Ireland inspected the manufacturing facility at Shendra, Aurangabad during the year.

**56. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 101 FIRST TIME ADOPTION ON INDIAN ACCOUNTING STANDARDS**

**Explanation of transition to Ind AS**

The below mentioned reconciliations provide a quantification of the effect of significant differences arising from the transition from Indian GAAP to Ind AS in accordance with Ind AS 101 for the following:

- equity as at April 01, 2015
- equity as at March 31, 2016
- profit for the year ended March 31, 2016

**EQUITY RECONCILIATION**

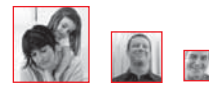
Particulars	Note	As at March 31, 2016	As at April 01, 2015
<b>Equity as per Previous GAAP (Indian GAAP)</b>		<b>1,388.98</b>	<b>1,370.09</b>
Reclassification of preference shares from equity to Long term borrowings and impact of Fair valuation	1	(269.90)	(242.15)
Fair Valuation of security deposits as per Ind AS 109	2	(4.16)	(3.10)
Fair valuation of guarantee commission as per Ind AS 109	3	(0.32)	(3.51)
Fair valuation of certain properties considered as deemed cost and impact of depreciation on components of plant and equipments	4	92.35	89.67
Impairment (mainly based on expected credit loss)	5	(30.01)	(30.01)
Other adjustments	7	(0.44)	0.45
Tax adjustments	8	(8.54)	(7.09)
<b>Adjusted Equity as per Ind AS</b>		<b>1,167.96</b>	<b>1,174.35</b>

**PROFIT RECONCILIATION**

Particulars	Note	For the year March 31, 2016
<b>Profit as per Previous GAAP (Indian GAAP)</b>		<b>32.79</b>
Interest unwinding on preference share liability and reversal of proposed dividend	1	(27.79)
Fair valuation of security deposits	2	(1.06)
Unwinding interest income on fair valuation of guarantee commission and other related adjustments	3	3.19
Re-measurement of net defined benefit liability/asset recognised in other comprehensive income	6	0.81
Depreciation on plant and equipments and amortisation related to fair value as deemed cost of certain properties	4	2.68
Other adjustments	7	(0.56)
Tax adjustments	8	(1.72)
<b>Adjusted profit as per Ind AS</b>		<b>8.34</b>

**Notes -**

1. Under previous GAAP, preference shares were shown as part of equity and carried at cost. Redeemable preference shares contain a contractual obligation to deliver cash to the holders. Under Ind AS the same is classified as liability. Proposed dividend on preference shares has been reversed on the transition date.



2. Under the previous GAAP, interest free security deposits were accounted for at transaction price. Under Ind AS, security deposits are to be measured at fair value at inception with reference to market rates and the difference is to be recognised as prepaid rentals
3. Under the previous GAAP, guarantee commission receivable were accounted for at transaction price. Under Ind AS, same are to be measured at fair value at inception with reference to market rates.
4. The Company has chosen to value certain property at its fair value on the transition date. This amount has been recognised in retained earnings. Consequently the Company has recognised additional depreciation on aforesaid based on the fair value in subsequent year. The Company has also accounted for depreciation on significant components of plant and equipment retrospectively in the retained earnings upto transition date.
5. Under previous GAAP, the Company has created allowance for doubtful debts based on its estimation. Under Ind AS, the allowance for credit loss has been made based on Expected Credit Loss (ECL) provision matrix..
6. Under Ind AS, actuarial gain/loss on defined benefits plan are recognised in the statement of Other Comprehensive Income.
7. Other adjustments comprises on ESOP, lease straightlining, etc. adjusted as per the requirements of respective Ind AS.
8. Tax adjustments include the tax effects of certain pre-tax previous GAAP to Ind AS adjustments described above.

**57. Optional Exemptions and Mandatory Exemptions availed under Ind AS 101**

In preparing these financial statements, the Company has availed itself of certain exemptions and exceptions in accordance with Ind AS 101 as explained below:

**Optional Exemptions**

- a) The Company has elected to measure some items of property, plant and equipment at the date of transition to Ind AS at their fair value and use that fair value as its deemed cost at that date. The remaining items of property, plant and equipments are measured as per Ind AS at the date of transition.
- b) Investments in subsidiaries and associates  
The Company has elected to measure the investments in its subsidiaries and associates at its previous GAAP carrying amount (i.e. at cost) rather than at its fair value.
- c) Share-based payment transactions  
The Company has elected not to apply Ind AS 102 Share Based Payments to equity instruments that vested before the date of transition to Ind AS.
- d) Business Combinations  
Ind AS 101 Provides the option to apply Ind AS 103 "Business combinations" prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.  
The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

**Mandatory Exemptions**

- a) Estimates  
Upon an assessment of the estimates made under Indian GAAP, the Company has concluded that there was no necessity to revise such estimates under Ind AS, except where estimates were required by Ind AS and not required by Indian GAAP.
- b) Government loans  
The Company has measured its Government loan at the carrying value as per previous GAAP at the date of transition to Ind AS in the opening Ind AS Balance Sheet after applying requirements in Ind AS 109 *Financial Instruments*, and Ind AS 20 *Accounting for Government Grants and Disclosure of Government Assistance* prospectively.

**58.** There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

**59.** These financial statements are the Company's first Ind AS financial statements and accordingly previous year figures have been regrouped where necessary to conform to current year's classification.

As per our attached report of even date

**For Haribhakti & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No. 103523W/W100048

**Bhavik L. Shah**  
Partner  
Membership No. 122071  
Place : Mumbai  
Date : May 04, 2017

**Narendra Singh**  
Company Secretary

**Manas Datta**  
Chief Financial Officer

For and on behalf of the Board of Directors

**H. F. Khorakiwala**  
Chairman  
DIN: 00045608

**Huzaifa Khorakiwala**  
Executive Director  
DIN: 02191870

**Murtaza Khorakiwala**  
Managing Director  
DIN: 00102650

**Shekhar Datta**  
DIN: 00045591

**Aman Mehta**  
DIN: 00009364

**D. S. Brar**  
DIN: 00068502

**Sanjaya Baru**  
DIN: 05344208

**Tasneem Mehta**  
DIN: 05009664

**Baldev Raj Arora**  
DIN: 00194168

**Vinesh Kumar Jairath**  
DIN: 00391684

Directors

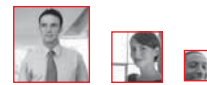


## CONSOLIDATED FINANCIAL HIGHLIGHTS

(₹ in crore)

YEAR-END FINANCIAL POSITION	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008	2007
Net Fixed Assets (incl. CWIP)	4,017	3,845	3,149	3,024	2,523	3,506	3,468	3,237	3,630	3,071
Deferred Tax Assets/(Liabilities)	133	98	(53)	(7)	24	(101)	73	47	41	(92)
Investments	-	-	3	3	3	91	90	95	93	71
<b>TOTAL</b>	<b>4,150</b>	<b>3,943</b>	<b>3,099</b>	<b>3,020</b>	<b>2,550</b>	<b>3,496</b>	<b>3,631</b>	<b>3,379</b>	<b>3,764</b>	<b>3,050</b>
Current Assets and other non current assets - (1)	4,778	4,131	3,788	3,597	3,490	2,656	2,073	2,172	2,964	2,011
Current Liabilities and other non current liabilities - (2)	1,062	1,157	1,017	994	1,265	1,189	912	862	1,475	887
Net Current Assets	3,716	2,974	2,771	2,603	2,225	1,467	1,161	1,310	1,489	1,124
<b>Sub-Total</b>	<b>7,866</b>	<b>6,917</b>	<b>5,870</b>	<b>5,623</b>	<b>4,775</b>	<b>4,963</b>	<b>4,792</b>	<b>4,689</b>	<b>5,253</b>	<b>4,174</b>
Foreign Currency Translation Reserve	(171)	(301)	(145)	(197)	(2)	24	183	158	144	26
Profit & Loss Account	-	-	-	-	-	-	-	6	-	-
<b>TOTAL CAPITAL EMPLOYED</b>	<b>7,695</b>	<b>6,616</b>	<b>5,725</b>	<b>5,426</b>	<b>4,773</b>	<b>4,987</b>	<b>4,975</b>	<b>4,853</b>	<b>5,397</b>	<b>4,200</b>
<b>Capital</b>										
- Equity	55	55	55	55	55	55	55	55	55	55
- Preference	-	-	299	298	298	761	745	668	-	-
Total	55	55	354	353	353	816	800	723	55	55
Reserves	3,111	3,419	3,217	3,031	2,349	679	326	112	1,107	1,245
<b>NET WORTH - (4)</b>	<b>3,166</b>	<b>3,474</b>	<b>3,571</b>	<b>3,384</b>	<b>2,702</b>	<b>1,495</b>	<b>1,126</b>	<b>835</b>	<b>1,162</b>	<b>1,300</b>
Minority Interest	382	465	144	136	-	-	-	-	-	-
<b>Borrowings</b>										
- Secured	3,843	2,402	2,004	1,900	2,054	3,271	3,379	3,552	3,161	2,344
- Unsecured (Includes Preference Capital from FY 2015 - 16 onwards)	304	275	6	6	17	221	470	466	1,074	556
Total - (3)	4,147	2,677	2,010	1,906	2,071	3,492	3,849	4,018	4,235	2,900
<b>TOTAL SOURCES</b>	<b>7,695</b>	<b>6,616</b>	<b>5,725</b>	<b>5,426</b>	<b>4,773</b>	<b>4,987</b>	<b>4,975</b>	<b>4,853</b>	<b>5,397</b>	<b>4,200</b>
<b>Summary of Operations (including discontinued operations)</b>										
Sales	4,015	4,453	4,481	4,830	5,721	4,614	3,751	4,501	3,590	2,491
Other Income	114	66	67	39	51	23	16	30	35	208
<b>TOTAL INCOME</b>	<b>4,129</b>	<b>4,519</b>	<b>4,548</b>	<b>4,869</b>	<b>5,772</b>	<b>4,637</b>	<b>3,767</b>	<b>4,531</b>	<b>3,625</b>	<b>2,699</b>
Material Consumed	1,662	1,614	1,488	1,806	1,814	1,682	1,516	1,973	1,360	993
Personnel Cost	967	951	869	769	663	589	550	735	632	458
Other expenses	1,360	1,379	1,298	1,276	1,128	903	776	970	812	563
<b>EBITDA (Including other income)</b>	<b>140</b>	<b>575</b>	<b>893</b>	<b>1,018</b>	<b>2,167</b>	<b>1,463</b>	<b>925</b>	<b>853</b>	<b>821</b>	<b>685</b>
Interest Expense (Including exchange fluctuation)	238	144	173	37	243	290	130	395	378	132
Depreciation	149	142	145	140	125	122	117	149	113	79
Profit Before Tax & Exceptional Items	(247)	289	575	841	1,799	1,051	678	309	330	474
Exceptional Items - loss/(gain)	-	-	-	(50)	(62)	474	574	1,295	581	-
<b>PBT</b>	<b>(247)</b>	<b>289</b>	<b>575</b>	<b>891</b>	<b>1,861</b>	<b>577</b>	<b>104</b>	<b>(986)</b>	<b>(251)</b>	<b>474</b>
Tax (Expense)/Credit	21	(38)	(162)	(48)	(266)	(235)	(8)	(16)	92	(91)
<b>PROFIT AFTER TAX BEFORE SHARE OF PROFIT / (LOSS) OF ASSOCIATES AND MINORITY INTEREST</b>	<b>(226)</b>	<b>251</b>	<b>413</b>	<b>843</b>	<b>1,595</b>	<b>342</b>	<b>96</b>	<b>(1,002)</b>	<b>(159)</b>	<b>383</b>
Share in Profit / (Loss) of Associate Companies	-	1	-	-	(1)	1	(5)	2	21	3
Minority Interest - Profit / (Loss)	(30)	1	8	2	-	-	-	-	-	-
<b>PROFIT AFTER TAX AFTER SHARE OF PROFIT / (LOSS) OF ASSOCIATES AND MINORITY INTEREST</b>	<b>(196)</b>	<b>251</b>	<b>405</b>	<b>841</b>	<b>1,594</b>	<b>343</b>	<b>91</b>	<b>(1,000)</b>	<b>(138)</b>	<b>386</b>
<b>IMPORTANT RATIOS</b>										
Current Assets : Liabilities - '[(1)/(2)]	4.50	3.57	3.72	3.62	2.76	2.23	2.27	2.50	2.01	2.27
Debt:Equity - '[(3)/(4)]	1.31	0.77	0.56	0.56	0.77	2.34	3.42	4.81	3.65	2.23
PBT/Turnover %	(6.2%)	6.5%	12.8%	18.4%	32.5%	12.5%	2.8%	(21.9%)	(7.0%)	19.0%
Return (PBIT) on Capital Employed %	(0.1%)	6.3%	12.7%	16.5%	44.1%	17.5%	4.9%	(12.6%)	2.4%	14.5%
No. of Equity Shares (in crore)	11.05	11.05	11.01	10.97	10.96	10.94	10.94	10.94	10.94	10.94
Dividend (per share)	10.00	-	20.00	10.00	5.00	-	-	-	-	11.25
Basic Earnings (per share)	(17.71)	22.71	36.81	76.6	145.6	31.3	8.3	(91.4)	(12.7)	35.3
Net Worth (per share)	286.5	314.4	324.3	308.5	246.6	136.6	102.9	76.3	106.1	118.8

NOTES: (1) In the year 2004 each equity share of ₹ 10/- each was sub-divided into 2 equity shares of ₹ 5/- each and bonus shares in the ratio of 1 share for every two shares held were issued.  
(2) The Figures for 2009 - 10 are for 15 month period ended March 31, 2010  
(3) The Figures from FY 2015 - 16 onwards are as per Ind AS

**ANNEXURES TO BOARD'S REPORT****ANNEXURE I TO THE BOARD'S REPORT****Form No. MR-3****SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

[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,  
**Wockhardt Limited**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Wockhardt Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provides me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of Wockhardt Limited'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, I hereby report that in my opinion, the Company, during the audit period covering the financial year ended on March 31, 2017, has prima facie 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines 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 (Share Based Employee Benefits) Regulations, 2014;

Though the following laws are prescribed in the format of Secretarial Audit Report by the Government, the same were not applicable to the Company for the financial year ended 31<sup>st</sup> March, 2017:-

- (a) The Securities and Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008;
- (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (e) 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.

- (vi) I further report that, based on the Compliance Report of various Laws submitted by Department Heads of the Company, the Company has inter-alia complied with the following laws:

- (a) The Drug and Cosmetic Act, 1945 and Rules
- (b) The Drug and Magic Remedies Act, 1954
- (c) Narcotic Drugs and Psychotropic Substances Act, 1985
- (d) Factories Act, 1948 and rules framed there under
- (e) The Hazardous Waste (Management & Handling) Rules 1989 under the Environment Protection Act, 1986
- (f) The Pharmacy Act, 1948
- (g) Bio-Medical Waste (Management and Handling) Rules, 1998
- (h) Food Standard and Security authority of India, 2006 and rules
- (i) Applicable Labour Laws





(vii) I have also examined compliance with the applicable clauses of the following:

- (a) The Listing agreements entered into by the Company with Stock Exchanges read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (b) Secretarial Standards 1 & 2 issued by the Institute of Company Secretaries of India.

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

I further report that I rely on statutory auditor's reports in relation to the financial statements and accuracy of financial figures for Sales Tax, Value Added Tax, Related Party Transactions, Provident Fund, ESIC, etc. as disclosed under financial statements, applicable Accounting Standard and note on foreign currency transactions during my audit period.

I 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

I further report that as per the information provided prima facie adequate notice is given to all directors to schedule the Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on agenda items before the meeting and for meaningful participation at the meeting.

I further report that as per the minutes of the meetings, majority decisions of the Board were unanimous and no dissenting views were found as part of the minutes.

I 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.

I further report that the management is responsible for compliances of all business laws. This responsibility includes maintenance of statutory registers/ records required by the concerned authorities and internal control of the concerned department.

I further report that during the audit period, there were no instances of:

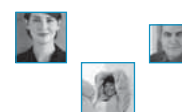
- i) Public / Rights/ Preferential issue of shares / debentures / sweat equity, except allotment of shares under Employee Stock Option scheme.
- ii) Redemption / buy- back of securities.
- iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013 which would have major bearing on the Company's affairs.
- iv) Merger / reconstruction etc
- v) Foreign Technical Collaborations.

I further report that my report of even date is to be read along with the following:

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
2. I 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 the Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. Where ever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
4. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the Management has conducted the affairs of the company.

**Virendra Bhatt**  
ACS No – 1157  
COP No – 124

Place: Mumbai  
Date: 4<sup>th</sup> May, 2017



## ANNEXURE II TO THE BOARD'S REPORT

Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31<sup>st</sup> March, 2017

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS

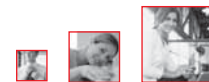
(i)	<b>CIN</b>	L24230MH1999PLC120720
(ii)	<b>Registration Date</b>	8 <sup>th</sup> July, 1999
(iii)	<b>Name of the Company</b>	Wockhardt Limited
(iv)	<b>Category/Sub-Category of the Company</b>	Public Company limited by shares
(v)	<b>Address of the Registered office and Contact details</b>	D-4 MIDC, Chikalthana, Aurangabad – 431006. Tel: 91-240-6694444; Fax: 91-240-2489219
(vi)	<b>Whether listed company (Yes/No)</b>	Yes
(vii)	<b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	Link Intime India Private Limited C-101, 1 <sup>st</sup> Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai - 400 083 Tel No : +91 22 49186270 Fax No : +91 22 49186060 Email Id : wockhardt@linkintime.co.in

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Pharmaceuticals	210	100%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held [Refer Note 1 & 2]	Applicable Section of Companies Act, 2013
1.	Wockhardt Infrastructure Development Limited Wockhardt Towers, Bandra- Kurla Complex, Bandra (East), Mumbai – 400 051	U24230MH1991PLC060162	Subsidiary (Direct)	100%	2(87)
2.	Wockhardt UK Holdings Limited Ash Road North, Wrexham Industrial Estate, Wrexham LL13 9UF, Wales, United Kingdom	N.A	Subsidiary (Direct)	100%	2(87)
3.	CP Pharmaceuticals Limited@ Ash Road North, Wrexham Industrial Estate, Wrexham LL13 9UF, Wales, United Kingdom	N.A	Subsidiary (Indirect)	85.85%	2(87)
4.	CP Pharma (Schweiz) AG @ Grafenauweg 6, 6300 ZUG, Switzerland	N.A	Subsidiary (Indirect)	85.85%	2(87)
5.	Wallis Group Limited Ash Road North, Wrexham Industrial Estate, Wrexham LL13 9UF, Wales, United Kingdom	N.A	Subsidiary (Indirect)	100%	2(87)
6.	The Wallis Laboratory Limited, Ash Road North, Wrexham Industrial Estate, Wrexham LL13 9UF, Wales, United Kingdom	N.A	Subsidiary (Indirect)	100%	2(87)



Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held [Refer Note 1 & 2]	Applicable Section of Companies Act, 2013
7.	Pinewood Healthcare Limited@ Ash Road North, Wrexham Industrial Estate, Wrexham LL13 9UF, Wales, United Kingdom	N.A	Subsidiary (Indirect)	85.85%	2(87)
8.	Wockhardt Farmaceutica Do Brasil Ltda Rua Antonio Loureiro, No. 346 - Room 18, Neighborhood - Vila Santa Catarina, São Paulo, Brazil CEP - 04376-110	N.A	Subsidiary (Indirect)	100%	2(87)
9.	Wallis Licensing Limited, Ash Road North, Wrexham Industrial Estate, Wrexham LL13 9UF, Wales, United Kingdom	N.A	Subsidiary (Indirect)	100%	2(87)
10.	Z&Z Services GmbH@ Seepark 7, D-39116 Magdeburg, Germany	N.A	Subsidiary (Indirect)	85.85%	2(87)
11.	Wockhardt Europe Limited Trident Chambers, P O Box 146, Wickham's Cay 1, Road Town, Tortola, British Virgin Islands	N.A	Subsidiary (Direct)	100%	2(87)
12.	Wockhardt Nigeria Limited 38, Fatai Irawo Street, Ajao Estate, Lagos, Nigeria	N.A	Subsidiary (Indirect)	100%	2(87)
13.	Wockhardt USA LLC@ 20 Waterview Boulevard, Parsippany NJ 07054 – U.S.A	N.A	Subsidiary (Indirect)	85.85%	2(87)
14.	Wockhardt Bio AG Grafenauweg 6 6300 ZUG, Switzerland	N.A	Subsidiary (Direct)	85.85%	2(87)
15.	Wockhardt UK Limited@ Ash Road North, Wrexham Industrial Estate, Wrexham LL13 9UF, Wales, United Kingdom	N.A	Subsidiary (Indirect)	85.85%	2(87)
16.	Wockpharma Ireland Limited@ Ballymacarbry Clonmel Co. Tipperary, Ireland	N.A	Subsidiary (Indirect)	85.85%	2(87)
17.	Pinewood Laboratories Limited@ Ballymacarbry Clonmel Co. Tipperary, Ireland	N.A	Subsidiary (Indirect)	85.85%	2(87)
18.	Laboratoires Negma S.A.S.@ Buroplus 3 – Zac De La Clef St Pierre 1Bis Avenue Jean D'alembert – CS 80563 78996 Elancourt Cedex, France	N.A	Subsidiary (Indirect)	85.85%	2(87)
19.	Wockhardt France (Holdings) S.A.S.@ Buroplus 3 – Zac De La Clef St Pierre 1Bis Avenue Jean D'alembert – CS 80563 78996 Elancourt Cedex, France	N.A	Subsidiary (Indirect)	85.85%	2(87)
20.	Wockhardt Holding Corp.@ 6451 West Main St, Morton Grove, IL 60053	N.A	Subsidiary (Indirect)	85.85%	2(87)



Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held [Refer Note 1 & 2]	Applicable Section of Companies Act, 2013
21.	Morton Grove Pharmaceuticals, Inc. @ 6451, West Main Street, Morton Grove Illinois 60053- U.S.A	N.A	Subsidiary (Indirect)	85.85%	2(87)
22.	MGP Inc., U.S.A @ 6451 West Main St, Morton Grove, IL 60053	N.A	Subsidiary (Indirect)	85.85%	2(87)
23.	Laboratoires Pharma 2000 S.A.S. @ Buroplus 3 – Zac De La Clef St Pierre 1bis Avenue Jean D'alembert – CS 80563 78996 Elancourt Cedex, France	N.A	Subsidiary (Indirect)	85.85%	2(87)
24.	Niverpharma S.A.S @ Buroplus 3 – Zac De La Clef St Pierre 1Bis Avenue Jean D'alembert – CS 80563 78996 Elancourt Cedex, France	N.A	Subsidiary (Indirect)	85.85%	2(87)
25.	Negma Beneulex S.A. @ Rue du Cours d'eau, 10 1428 Lillois Belgium	N.A	Subsidiary (Indirect)	85.85%	2(87)
26.	Phytex S.A.S. @ Buroplus 3 – Zac De La Clef St Pierre 1Bis Avenue Jean D'alembert – CS 80563 78996 Elancourt Cedex, France	N.A	Subsidiary (Indirect)	85.85%	2(87)
27.	Wockhardt Farmaceutica SA DE CV. @ VitoAlessio Robles 53 bis Colonia Ex Hacienda Guadalupe Chimalistac CP 01050, Álvaro Obregón, Distrito Federal, Mexico	N.A	Subsidiary (Indirect)	85.85%	2(87)
28.	Wockhardt Services SA DE CV. @, VitoAlessio Robles 53 bis, Colonia Ex Hacienda Guadalupe Chimalistac CP, 01050, Álvaro Obregón, Distrito Federal, Mexico	N.A	Subsidiary (Indirect)	85.85%	2(87)
29.	Wockhardt Bio (R) @ Russia, 121471, Moscow, Ryabinovaya ul., 43, Building 1	N.A	Subsidiary (Indirect)	85.85%	2(87)
30.	Wockhardt Bio Pty Ltd @ R Nurlendi Road, Vermont, Melbourne Victoria, 3133	N.A	Subsidiary (Indirect)	85.85%	2(87)
31.	Wockhardt Bio Limited* 58 Richard Pearse Drive, Airport Oaks, Mangere, Auckland 2022, New Zealand	N.A	Subsidiary (Indirect)	-	2(87)

**Notes:**

1. Wockhardt Ltd., the Company holds directly or indirectly 100% shareholding in all the subsidiaries except as mentioned in Note 2 below.
2. @ The Company holds 85.85% shareholding in the Wockhardt Bio AG which in turn holds 100% shareholding in these subsidiaries.
3. \* The immediate Holding Company (i.e. Wockhardt Bio AG) has yet to infuse the share capital.



#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1 <sup>st</sup> April, 2016)				No. of Shares held at the end of the year (as on 31 <sup>st</sup> March, 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
(a) Individual/HUF	887,625	0	887,625	0.80	887,625	0	887,625	0.80	0
(b) Central Govt.	0	0	0	0	0	0	0	0	0
(c) State Govt.(s)	0	0	0	0	0	0	0	0	0
(d) Bodies Corporates	81,097,757	0	81,097,757	73.39	70,297,757	0	70,297,757	63.59	(9.80)
(e) Banks / FIs	0	0	0	0	0	0	0	0	0
(f) Any Other									
i) Trust	0	0	0	0	10,800,000	0	10,800,000	9.77	9.77
<b>Sub-total(A) (1)</b>	<b>81,985,382</b>	<b>0</b>	<b>81,985,382</b>	<b>74.19</b>	<b>81,985,382</b>	<b>0</b>	<b>81,985,382</b>	<b>74.16</b>	<b>(0.03)</b>
<b>(2) Foreign</b>									
(a) NRIs-Individuals	0	0	0	0	0	0	0	0	0
(b) Other –Individuals	0	0	0	0	0	0	0	0	0
(c) Bodies Corp.	0	0	0	0	0	0	0	0	0
(d) Banks / FI	0	0	0	0	0	0	0	0	0
(e) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>81,985,382</b>	<b>0</b>	<b>81,985,382</b>	<b>74.19</b>	<b>81,985,382</b>	<b>0</b>	<b>81,985,382</b>	<b>74.16</b>	<b>(0.03)</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
(a) Mutual Funds	1,945,164	900	1,946,064	1.76	1,555,866	900	1,556,766	1.41	(0.35)
(b) Banks / FI	60,447	500	60,947	0.06	110,121	500	110,621	0.10	0.04
(c) Central Govt.	0	0	0	0	0	0	0	0	0
(d) State Govt(s)	0	0	0	0	0	0	0	0	0
(e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f) Insurance Companies	1,326,946	1,400	1,328,346	1.20	1,326,871	1,400	1,328,271	1.20	0
(g) FIs	6,099,320	2,400	6,101,720	5.52	753,792	2,400	756,192	0.68	(4.84)
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i) Others (specify)	0	0	0	0	0	0	0	0	0
Foreign Portfolio Investors	2,046,200	0	2,046,200	1.85	4,262,563	0	4,262,563	3.86	2.01
Foreign Company	0	0	0	0	9,709	0	9,709	0.01	0.01
<b>Sub-total (B)(1)</b>	<b>11,478,077</b>	<b>5,200</b>	<b>11,483,277</b>	<b>10.39</b>	<b>8,018,922</b>	<b>5,200</b>	<b>8,024,122</b>	<b>7.26</b>	<b>(3.13)</b>
<b>2. Non-Institutions</b>									
(a) Bodies Corporate									
(i) Indian	1,730,572	3,843	1,734,415	1.57	2,013,423	3,443	2,016,866	1.82	0.25
(ii) Overseas	0	0	0	0	0	0	0	0	0
(b) Individuals									
(i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	10,039,690	941,031	10,980,721	9.94	13,766,608	909,649	14,676,257	13.28	3.34
(ii) Individual Shareholders Holding nominal share capital in excess of ₹ 1 lakh	2,121,773	0	2,121,773	1.92	910,429	0	910,429	0.82	(1.10)



Category of Shareholders	No. of Shares held at the beginning of the year (as on 1 <sup>st</sup> April, 2016)				No. of Shares held at the end of the year (as on 31 <sup>st</sup> March, 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(c) Others (specify)									
(i) Non-Resident Indian (Repat)	808,854	2,700	811,554	0.73	814,735	2,700	817,435	0.74	0.01
(ii) Non-Resident Indian (Non- Repat)	169,652	2,400	172,052	0.16	194,333	2,400	196,733	0.18	0.02
(iii) Foreign Nationals	100	0	100	0.00	350	0	350	0.00	0.00
(iv) Clearing Member	516,689	0	516,689	0.47	1,101,197	0	1,101,197	1.00	0.53
(v) Directors /Relatives of Directors	57,600	0	57,600	0.05	57,600	0	57,600	0.05	0.00
(vi) Trusts	1,009	0	1,009	0.00	1,309	0	1,309	0.00	0.00
(vii) Hindu Undivided Family	504,180	0	504,180	0.46	626,128	0	626,128	0.57	0.11
<b>Sub-total (B)(2)</b>	<b>15,950,119</b>	<b>949,974</b>	<b>16,900,093</b>	<b>15.29</b>	<b>19,486,112</b>	<b>918,192</b>	<b>20,404,304</b>	<b>18.46</b>	<b>3.17</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>27,428,196</b>	<b>955,174</b>	<b>28,383,370</b>	<b>25.68</b>	<b>27,505,034</b>	<b>923,392</b>	<b>28,428,426</b>	<b>25.72</b>	<b>0.04</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	124,551	15,600	140,151	0.13	118,620	15,600	134,220	0.12	(0.01)
<b>Grand Total (A+B+C)</b>	<b>109,538,129</b>	<b>970,774</b>	<b>110,508,903</b>	<b>100.00</b>	<b>109,609,036</b>	<b>938,992</b>	<b>110,548,028</b>	<b>100.00</b>	<b>0.00</b>

Notes:

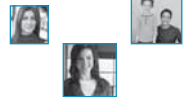
- The shares appearing under "Promoter- Bodies Corporates" are held by the companies appearing under Sl. Nos. 1 to 4 of the below table titled (ii) "Shareholding of Promoters" in capacity as a Trustee of Trusts being partner in respective Partnership Firms.
- The shares appearing under "Promoter- Trust" are held by the companies appearing under Sl. Nos. 5 to 8 of the below table titled (ii) "Shareholding of Promoters" in capacity as a Trustee of respective Trusts.
- % change during the year in the category of Promoters is due to increase in total paid up equity share capital.

### (ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1 <sup>st</sup> April, 2016)			Shareholding at the end of the Year (as on 31 <sup>st</sup> March, 2017)			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Themisto Trustee Company Private Limited *	65,897,757	59.63	Nil	60,497,757	54.73	Nil	(4.90)
2.	Ananke Trustee Company Private Limited*	5,000,000	4.52	Nil	3,200,000	2.89	Nil	(1.63)
3.	Callirhoe Trustee Company Private Limited*	5,000,000	4.52	Nil	3,200,000	2.89	Nil	(1.63)
4.	Pasithee Trustee Company Private Limited*	5,200,000	4.71	Nil	3,400,000	3.08	Nil	(1.63)
5.	Themisto Trustee Company Private Limited **	Nil	Nil	Nil	5,400,000	4.88	Nil	4.88
6.	Ananke Trustee Company Private Limited**	Nil	Nil	Nil	1,800,000	1.63	Nil	1.63
7.	Callirhoe Trustee Company Private Limited**	Nil	Nil	Nil	1,800,000	1.63	Nil	1.63
8.	Pasithee Trustee Company Private Limited**	Nil	Nil	Nil	1,800,000	1.63	Nil	1.63
9.	Dr. H.F. Khorakiwala	442,785	0.40	Nil	442,785	0.40	Nil	0.00
10.	Dr. Huzaifa Khorakiwala	216,000	0.20	Nil	216,000	0.20	Nil	0.00
11.	Dr. Murtaza Khorakiwala	226,200	0.21	Nil	226,200	0.20	Nil	(0.01)
12.	Ms. Nafsa Khorakiwala	2,640	0.00	Nil	2,640	0.00	Nil	0.00
	<b>Total</b>	<b>81,985,382</b>	<b>74.19</b>	<b>Nil</b>	<b>81,985,382</b>	<b>74.16</b>	<b>Nil</b>	<b>(0.03)</b>

Notes:

- \*The shares are held by the said companies in capacity as a Trustee of Trusts being partner in respective Partnership Firms.
- \*\*The shares are held by the said companies in capacity as a Trustee of respective Trusts.
- \*\*The shares held by the said companies in capacity as a Trustee of respective Trusts have been acquired from Promoters appearing under Sl. Nos. 1 to 4 by way of inter-se transfer of shares through Block deal which took place amongst Promoters in March 2017.



**(iii) Change in Promoters' Shareholding**

During the financial year 2016-17, there was no change in Promoters' Shareholding other than (i) due to inter-se transfer of shares as detailed in previous Table; and (ii) minor changes in percentage due to increase in total paid up equity share capital of the Company.

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. no.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (as on 1 <sup>st</sup> April, 2016) / Date wise Increase / (Decrease) during the year		Cumulative shareholding during the year		Shareholding at the end of the year (as on 31 <sup>st</sup> March, 2017)	
		No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of the Company
1	<b>Life Insurance Corporation of India</b>	<b>1,326,946</b>	<b>1.20</b>			<b>1,326,946</b>	<b>1.20</b>
	Date wise increase / (Decrease)	Number	% age				
	Nil	Nil	Nil	Nil	Nil		
2	<b>Government Pension Fund Global *</b>	<b>358,791</b>	<b>0.32</b>			<b>748,116</b>	<b>0.68</b>
	Date wise increase / (Decrease)	Number	% age				
	02.05.2016 to 06.05.2016	(65,897)	(0.06)	292,894	0.27		
	06.06.2016 to 10.06.2016	(72,653)	(0.07)	220,241	0.20		
	20.06.2016 to 24.06.2016	(75,013)	(0.07)	145,228	0.13		
	20.02.2017 to 24.02.2017	425,269	0.38	570,497	0.52		
	27.02.2017 to 03.03.2017	177,619	0.16	748,116	0.68		
3	<b>Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Fund</b>	<b>512,745</b>	<b>0.46</b>			<b>599,983</b>	<b>0.54</b>
	Date wise increase / (Decrease)	Number	% age				
	04.04.2016 to 08.04.2016	2,324	0.00	515,069	0.47		
	18.04.2016 to 22.04.2016	1,740	0.00	516,809	0.47		
	06.06.2016 to 10.06.2016	1,771	0.00	518,580	0.47		
	20.06.2016 to 24.06.2016	6,512	0.01	525,092	0.48		
	18.07.2016 to 22.07.2016	1,332	0.00	526,424	0.48		
	25.07.2016 to 29.07.2016	4,056	0.00	530,480	0.48		
	01.08.2016 to 05.08.2016	3,268	0.00	533,748	0.48		
	08.08.2016 to 12.08.2016	3,645	0.00	537,393	0.49		
	16.08.2016 to 19.08.2016	5,184	0.00	542,577	0.49		
	05.09.2016 to 09.09.2016	2,460	0.00	545,037	0.49		
	03.10.2016 to 07.10.2016	2,624	0.00	547,661	0.50		
	10.10.2016 to 14.10.2016	1,804	0.00	549,465	0.50		
	17.10.2016 to 21.10.2016	6,150	0.01	555,615	0.50		
	24.10.2016 to 28.10.2016	2,460	0.00	558,075	0.50		
	07.11.2016 to 11.11.2016	5,330	0.00	563,405	0.51		
	21.11.2016 to 25.11.2016	6,478	0.01	569,883	0.52		
	28.11.2016 to 02.12.2016	3,690	0.00	573,573	0.52		
	02.01.2017 to 06.01.2017	2,280	0.00	575,853	0.52		
09.01.2017 to 13.01.2017	4,845	0.00	580,698	0.53			
16.01.2017 to 20.01.2017	2,280	0.00	582,978	0.53			





Sl. no.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (as on 1 <sup>st</sup> April, 2016) / Date wise Increase / (Decrease) during the year		Cumulative shareholding during the year		Shareholding at the end of the year (as on 31 <sup>st</sup> March, 2017)	
		No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of the Company
	30.01.2017 to 03.02.2017	6,840	0.01	589,818	0.53		
	13.02.2017 to 17.02.2017	1,900	0.00	591,718	0.54		
	20.03.2017 to 24.03.2017	5,625	0.01	597,343	0.54		
	27.03.2017 to 31.03.2017	2,640	0.00	599,983	0.54		
4	<b>HDFC Trustee Company Ltd. – A/c HDFC MID- Cap opportunities Fund *</b>	<b>352,855</b>	<b>0.32</b>			<b>468,855</b>	<b>0.42</b>
	Date wise increase / (Decrease)	Number	% age				
	30.05.2016 to 03.06.2016	31,000	0.03	383,855	0.35		
	08.08.2016 to 12.08.2016	50,000	0.05	433,855	0.39		
	19.09.2016 to 23.09.2016	15,000	0.01	448,855	0.40		
	06.03.2017 to 10.03.2017	20,000	0.02	468,855	0.42		
5	<b>Citibank N.A. *</b>	<b>48,964</b>	<b>0.04</b>			<b>435,631</b>	<b>0.39</b>
	Date wise increase / (Decrease)	Number	% age				
	04.04.2016 to 08.04.2016	(36,214)	(0.03)	12,750	0.01		
	11.04.2016 to 15.04.2016	(12,750)	(0.01)	-	-		
	18.04.2016 to 22.04.2016	88,387	0.08	88,387	0.08		
	25.04.2016 to 29.04.2016	(55,374)	(0.05)	33,013	0.03		
	02.05.2016 to 06.05.2016	51,464	0.05	84,477	0.08		
	09.05.2016 to 13.05.2016	(79,324)	(0.07)	5,153	0.00		
	16.05.2016 to 20.05.2016	36,862	0.03	42,015	0.04		
	23.05.2016 to 27.05.2016	(42,015)	(0.04)	-	-		
	06.06.2016 to 10.06.2016	3,000	0.00	3,000	0.00		
	13.06.2016 to 17.06.2016	(2,232)	(0.00)	768	0.00		
	20.06.2016 to 24.06.2016	84,919	0.08	85,687	0.08		
	27.06.2016 to 30.06.2016	(85,462)	(0.08)	225	0.00		
	01.07.2016 to 01.07.2016	39,194	0.03	39,419	0.03		
	04.07.2016 to 08.07.2016	19,444	0.02	58,863	0.05		
	11.07.2016 to 15.07.2016	(49,092)	(0.04)	9,771	0.01		
	18.07.2016 to 22.07.2016	87,202	0.08	96,973	0.09		
	25.07.2016 to 29.07.2016	(58,973)	(0.05)	38,000	0.03		
	01.08.2016 to 05.08.2016	(38,000)	(0.03)	-	-		
	08.08.2016 to 12.08.2016	3,829	0.00	3,829	0.00		
	16.08.2016 to 19.08.2016	(3,829)	(0.00)	-	-		
	22.08.2016 to 26.08.2016	16,200	0.01	16,200	0.01		
	29.08.2016 to 02.09.2016	(16,200)	(0.01)	-	-		
	05.09.2016 to 09.09.2016	378	0.00	378	0.00		
	12.09.2016 to 16.09.2016	(378)	(0.00)	-	-		
	26.09.2016 to 30.09.2016	30,000	0.03	30,000	0.03		
	03.10.2016 to 07.10.2016	(28,800)	(0.03)	1,200	0.00		



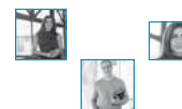
Sl. no.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (as on 1 <sup>st</sup> April, 2016) / Date wise Increase / (Decrease) during the year		Cumulative shareholding during the year		Shareholding at the end of the year (as on 31 <sup>st</sup> March, 2017)	
		No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of the Company
	10.10.2016 to 14.10.2016	25,800	0.02	27,000	0.02		
	17.10.2016 to 21.10.2016	(27,000)	(0.02)	-	-		
	24.10.2016 to 28.10.2016	91,800	0.08	91,800	0.08		
	31.10.2016 to 04.11.2016	(75,563)	(0.07)	16,237	0.01		
	07.11.2016 to 11.11.2016	(16,237)	(0.01)	-	-		
	28.11.2016 to 02.12.2016	600	0.00	600	0.00		
	05.12.2016 to 09.12.2016	(600)	(0.00)	-	-		
	26.12.2016 to 30.12.2016	26,850	0.02	26,850	0.02		
	02.01.2017 to 06.01.2017	(26,850)	(0.02)	-	-		
	09.01.2017 to 13.01.2017	759	0.00	759	0.00		
	16.01.2017 to 20.01.2017	4,440	0.00	5,199	0.00		
	23.01.2017 to 27.01.2017	125,601	0.11	130,800	0.12		
	30.01.2017 to 03.02.2017	(130,800)	(0.12)	-	-		
	20.02.2017 to 24.02.2017	8,400	0.01	8,400	0.01		
	27.02.2017 to 03.03.2017	120,600	0.11	129,000	0.12		
	06.03.2017 to 10.03.2017	(128,829)	(0.12)	171	0.00		
	13.03.2017 to 17.03.2017	(171)	(0.00)	-	-		
	20.03.2017 to 24.03.2017	103,000	0.09	103,000	0.09		
	27.03.2017 to 31.03.2017	332,631	0.30	435,631	0.39		
6	<b>Vanguard Total International Stock Index Fund *</b>	<b>332,764</b>	<b>0.30</b>			<b>419,199</b>	<b>0.38</b>
	Date wise increase / (Decrease)	Number	% age				
	09.05.2016 to 13.05.2016	35,512	0.03	368,276	0.33		
	02.01.2017 to 06.01.2017	50,923	0.05	419,199	0.38		
7	<b>DSP Blackrock AIF Pharma Fund*</b>	<b>48,780</b>	<b>0.04</b>			<b>393,963</b>	<b>0.36</b>
	Date wise increase / (Decrease)	Number	% age				
	12.09.2016 to 16.09.2016	43,614	0.04	92,394	0.08		
	26.09.2016 to 30.09.2016	112,000	0.10	204,394	0.18		
	06.03.2017 to 10.03.2017	93,734	0.08	298,128	0.27		
	13.03.2017 to 17.03.2017	31,461	0.03	329,589	0.30		
	20.03.2017 to 24.03.2017	32,266	0.03	361,855	0.33		
	27.03.2017 to 31.03.2017	32,108	0.03	393,963	0.36		
8	<b>TIMF Holdings</b>	<b>620,203</b>	<b>0.56</b>			<b>349,704</b>	<b>0.32</b>
	Date wise increase / (Decrease)	Number	% age				
	19.09.2016 to 23.09.2016	(300,000)	(0.27)	320,203	0.29		
	19.12.2016 to 23.12.2016	(13,101)	(0.01)	307,102	0.28		
	02.01.2017 to 06.01.2017	500,000	0.45	807,102	0.73		
	09.01.2017 to 13.01.2017	(157,398)	(0.14)	649,704	0.59		
	06.02.2017 to 10.02.2017	(100,000)	(0.09)	549,704	0.50		



Sl. no.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (as on 1 <sup>st</sup> April, 2016) / Date wise Increase / (Decrease) during the year		Cumulative shareholding during the year		Shareholding at the end of the year (as on 31 <sup>st</sup> March, 2017)	
		No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of the Company
	27.02.2017 to 03.03.2017	(100,000)	(0.09)	449,704	0.41		
	13.03.2017 to 17.03.2017	(100,000)	(0.09)	349,704	0.32		
9	<b>Dimensional Emerging Markets Value Fund *</b>	<b>276,374</b>	<b>0.25</b>			<b>276,374</b>	<b>0.25</b>
	Date wise increase / (Decrease)	Number	% age				
	Nil	Nil	Nil	Nil	Nil		
10	<b>Emerging Markets Core Equity Portfolio (the Portfolio) of DFA Investment Dimensions Group INC. (DFAIDG) *</b>	<b>243,653</b>	<b>0.22</b>			<b>257,262</b>	<b>0.23</b>
	Date wise increase / (Decrease)	Number	% age				
	19.09.2016 to 23.09.2016	13,609	0.01	257,262	0.23		
11	<b>Swiss Finance Corporation (Mauritius) Limited #</b>	<b>1,063,372</b>	<b>0.96</b>			<b>57,713</b>	<b>0.05</b>
	Date wise increase / (Decrease)	Number	% age				
	04.04.2016 to 08.04.2016	15,750	0.01	1,079,122	0.97		
	11.04.2016 to 15.04.2016	30,000	0.03	1,109,122	1.00		
	18.04.2016 to 22.04.2016	30,750	0.03	1,139,872	1.03		
	25.04.2016 to 29.04.2016	47,978	0.04	1,187,850	1.07		
	02.05.2016 to 06.05.2016	10,500	0.01	1,198,350	1.08		
	09.05.2016 to 13.05.2016	67,500	0.06	1,265,850	1.15		
	16.05.2016 to 20.05.2016	3,375	0.00	1,269,225	1.15		
	23.05.2016 to 27.05.2016	375	0.00	1,269,600	1.15		
	30.05.2016 to 03.06.2016	76,125	0.07	1,345,725	1.22		
	06.06.2016 to 10.06.2016	37,650	0.03	1,383,375	1.25		
	13.06.2016 to 17.06.2016	(15,375)	(0.01)	1,368,000	1.24		
	20.06.2016 to 24.06.2016	(46,125)	(0.04)	1,321,875	1.20		
	27.06.2016 to 30.06.2016	33,750	0.03	1,355,625	1.23		
	04.07.2016 to 08.07.2016	4,200	0.00	1,359,825	1.23		
	11.07.2016 to 15.07.2016	47,400	0.04	1,407,225	1.27		
	18.07.2016 to 22.07.2016	20,400	0.02	1,427,625	1.29		
	25.07.2016 to 29.07.2016	(274,544)	(0.25)	1,153,081	1.04		
	01.08.2016 to 05.08.2016	9,512	0.01	1,162,593	1.05		
	08.08.2016 to 12.08.2016	(542,627)	(0.49)	619,966	0.56		
	16.08.2016 to 19.08.2016	(383,553)	(0.35)	236,413	0.21		
	22.08.2016 to 26.08.2016	(19,300)	(0.02)	217,113	0.20		
	29.08.2016 to 02.09.2016	55,200	0.05	272,313	0.25		
	05.09.2016 to 09.09.2016	6,600	0.01	278,913	0.25		
	12.09.2016 to 16.09.2016	97,800	0.09	376,713	0.34		
	19.09.2016 to 23.09.2016	(3,000)	(0.00)	373,713	0.34		



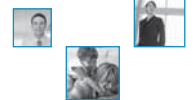
Sl. no.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (as on 1 <sup>st</sup> April, 2016) / Date wise Increase / (Decrease) during the year		Cumulative shareholding during the year		Shareholding at the end of the year (as on 31 <sup>st</sup> March, 2017)	
		No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of the Company
	26.09.2016 to 30.09.2016	(12,600)	(0.01)	361,113	0.33		
	10.10.2016 to 14.10.2016	(10,800)	(0.01)	350,313	0.32		
	17.10.2016 to 21.10.2016	(1,800)	(0.00)	348,513	0.32		
	07.11.2016 to 11.11.2016	(57,000)	(0.05)	291,513	0.26		
	21.11.2016 to 25.11.2016	(20,400)	(0.02)	271,113	0.25		
	28.11.2016 to 02.12.2016	(51,400)	(0.05)	219,713	0.20		
	05.12.2016 to 09.12.2016	(600)	(0.00)	219,113	0.20		
	12.12.2016 to 16.12.2016	(5,400)	(0.00)	213,713	0.19		
	26.12.2016 to 30.12.2016	(25,800)	(0.02)	187,913	0.17		
	02.01.2017 to 06.01.2017	(31,200)	(0.03)	156,713	0.14		
	09.01.2017 to 13.01.2017	(14,400)	(0.01)	142,313	0.13		
	16.01.2017 to 20.01.2017	4,200	0.00	146,513	0.13		
	30.01.2017 to 03.02.2017	(107,400)	(0.10)	39,113	0.03		
	06.02.2017 to 10.02.2017	41,400	0.04	80,513	0.07		
	13.02.2017 to 17.02.2017	(60,600)	(0.05)	19,913	0.02		
	20.02.2017 to 24.02.2017	(9,000)	(0.01)	10,913	0.01		
	27.02.2017 to 03.03.2017	600	0.00	11,513	0.01		
	06.03.2017 to 10.03.2017	8,400	0.01	19,913	0.02		
	13.03.2017 to 17.03.2017	37,800	0.03	57,713	0.05		
12	<b>DSP Blackrock Equity Saving Fund #</b>	<b>952,745</b>	<b>0.86</b>			<b>23,400</b>	<b>0.02</b>
	Date wise increase / (Decrease)	Number	% age				
	18.04.2016 to 22.04.2016	(83,570)	(0.07)	869,175	0.79		
	25.04.2016 to 29.04.2016	(42,548)	(0.04)	826,627	0.75		
	09.05.2016 to 13.05.2016	(264,819)	(0.24)	561,808	0.51		
	23.05.2016 to 27.05.2016	(6,498)	(0.01)	555,310	0.50		
	08.08.2016 to 12.08.2016	(320,763)	(0.29)	234,547	0.21		
	16.08.2016 to 19.08.2016	(37,434)	(0.03)	197,113	0.18		
	19.09.2016 to 23.09.2016	139,572	0.12	336,685	0.30		
	27.02.2017 to 03.03.2017	23,400	0.02	360,085	0.33		
	13.03.2017 to 17.03.2017	(127,644)	(0.12)	232,441	0.21		
	20.03.2017 to 24.03.2017	(103,000)	(0.09)	129,441	0.12		
	27.03.2017 to 31.03.2017	(106,041)	(0.10)	23,400	0.02		
13	<b>Abu Dhabi Investment Authority - Manly #</b>	<b>698,285</b>	<b>0.63</b>			<b>12,528</b>	<b>0.01</b>
	Date wise increase / (Decrease)	Number	% age				
	16.05.2016 to 20.05.2016	155,722	0.14	854,007	0.77		
	23.05.2016 to 27.05.2016	52,545	0.05	906,552	0.82		



Sl. no.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (as on 1 <sup>st</sup> April, 2016) / Date wise Increase / (Decrease) during the year		Cumulative shareholding during the year		Shareholding at the end of the year (as on 31 <sup>st</sup> March, 2017)	
		No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of the Company
	24.10.2016 to 28.10.2016	(1,757)	(0.00)	904,795	0.82		
	14.11.2016 to 18.11.2016	(169,094)	(0.15)	735,701	0.67		
	21.11.2016 to 25.11.2016	(427,788)	(0.39)	307,913	0.28		
	28.11.2016 to 02.12.2016	(295,385)	(0.27)	12,528	0.01		
14	<b>Merrill Lynch Capital Markets ESPANA S.A. S.V. #</b>	<b>1,333,640</b>	<b>1.21</b>			<b>4,209</b>	<b>0.00</b>
	Date wise increase / (Decrease)	Number	% age				
	04.04.2016 to 08.04.2016	71,625	0.06	1,405,265	1.27		
	18.04.2016 to 22.04.2016	22,125	0.02	1,427,390	1.29		
	02.05.2016 to 06.05.2016	(19,500)	(0.02)	1,407,890	1.27		
	09.05.2016 to 13.05.2016	(31,500)	(0.03)	1,376,390	1.24		
	06.06.2016 to 10.06.2016	30,000	0.03	1,406,390	1.27		
	01.07.2016 to 01.07.2016	48,000	0.04	1,454,390	1.32		
	04.07.2016 to 08.07.2016	(67,000)	(0.06)	1,387,390	1.26		
	11.07.2016 to 15.07.2016	(103,198)	(0.09)	1,284,192	1.16		
	18.07.2016 to 22.07.2016	(925)	(0.00)	1,283,267	1.16		
	25.07.2016 to 29.07.2016	(93,236)	(0.08)	1,190,031	1.08		
	01.08.2016 to 05.08.2016	(62,869)	(0.06)	1,127,162	1.02		
	08.08.2016 to 12.08.2016	5,400	0.00	1,132,562	1.02		
	16.08.2016 to 19.08.2016	(69,137)	(0.06)	1,063,425	0.96		
	22.08.2016 to 26.08.2016	(1,059,216)	(0.96)	4,209	0.00		
15	<b>Laxmi Shivanand Mankekar #</b>	<b>700,025</b>	<b>0.63</b>			<b>25</b>	<b>0.00</b>
	Date wise increase / (Decrease)	Number	% age				
	16.08.2016 to 19.08.2016	(700,000)	(0.63)	25	0.00		
16	<b>Causeway Emerging Markets Fund #</b>	<b>581,044</b>	<b>0.53</b>			<b>Nil</b>	<b>Nil</b>
	Date wise increase / (Decrease)	Number	% age				
	16.08.2016 to 19.08.2016	(122,530)	(0.11)	458,514	0.41		
	12.09.2016 to 16.09.2016	(458,514)	(0.41)	-	-		
17	<b>Shivanand Shankar Mankekar #</b>	<b>410,051</b>	<b>0.37</b>			<b>Nil</b>	<b>Nil</b>
	Date wise increase / (Decrease)	Number	% age				
	16.08.2016 to 19.08.2016	(410,051)	(0.37)	-	-		

Notes:

1. The above increase / decrease is due to buy / sell transaction(s) as per weekly BENPOS.
2. \* Represents shareholders not in the list of Top 10 shareholders as on 1<sup>st</sup> April 2016. However, the same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31<sup>st</sup> March, 2017.
3. # Represents shareholders that ceased to be in the list of Top 10 shareholders as on 31<sup>st</sup> March 2017. However, the same is reflected above since the shareholder was one of the Top 10 shareholders as on 1<sup>st</sup> April, 2016.



(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (as on 1 <sup>st</sup> April, 2016)		Cumulative Shareholding during the year		Shareholding at the end of the year (as on 31 <sup>st</sup> March, 2017)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	No. of shares	% of total share of the Company
1.	Dr. H. F. Khorakiwala, Chairman	4,42,785	0.40	4,42,785	0.40	442,785	0.40
2.	Mr. Shekhar Datta, Independent Director	4,100	0.004	4,100	0.004	4,100	0.004
3.	Mr. Aman Mehta, Independent Director	2,500	0.002	2,500	0.002	2,500	0.002
4.	Mr. Davinder Singh Brar, Independent Director	500	0.0005	500	0.0005	500	0.0005
5.	Dr. Sanjaya Baru, Independent Director	500	0.0005	500	0.0005	500	0.0005
6.	Ms. Tasneem Mehta, Independent Director	Nil	Nil	Nil	Nil	Nil	Nil
7.	Mr. Baldev Raj Arora, Independent Director	Nil	Nil	Nil	Nil	Nil	Nil
8.	Mr. Vinesh Kumar Jairath, Additional, Non-Executive Independent Director	N.A	N.A	Nil	Nil	Nil	Nil
9.	Dr. Huzaifa Khorakiwala, Executive Director	2,16,000	0.20	2,16,000	0.20	2,16,000	0.20
10.	Dr. Murtaza Khorakiwala, Managing Director	2,26,200	0.21	2,26,200	0.20	2,26,200	0.20
11.	Mr. Manas Datta, Chief Financial Officer	Nil	Nil	Nil	Nil	Nil	Nil
12.	Mr. Narendra Singh, Company Secretary	Nil	Nil	Nil	Nil	Nil	Nil
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				N.A.			

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment (Amount in ₹ crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (i.e., 1 <sup>st</sup> April, 2016)				
i) Principal Amount	1,709.94	274.48	Nil	1,984.42
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	9.20	0.09	Nil	9.29
<b>Total (i+ii+iii)</b>	<b>1,719.14</b>	<b>274.57</b>	<b>Nil</b>	<b>1,993.71</b>
Change in Indebtedness during the financial year 2016-17				
i) Addition	192.90*	331.07*	Nil	523.97
ii) Reduction	(96.39)**	(301.40)	Nil	(397.79)
<b>Net Change</b>	<b>96.51</b>	<b>29.67</b>	<b>Nil</b>	<b>126.18</b>
Indebtedness at the end of the financial year (i.e., 31 <sup>st</sup> March, 2017)				
i) Principal Amount	1,806.17	304.20	Nil	2,110.37
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	9.48	0.04	Nil	9.52
<b>Total (i+ii+iii)</b>	<b>1,815.65</b>	<b>304.24</b>	<b>Nil</b>	<b>2,119.89</b>

\* Includes Ind AS impact

\*\* Includes impact of exchange fluctuation also.



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Amount in ₹ crore

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager			Total Amount
		Dr. H. F. Habil Khorakiwala, Chairman	Dr. Huzaifa Khorakiwala, Executive Director	Dr. Murtaza Khorakiwala, Managing Director	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.32	1.328	1.328	3.976
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under u/s 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify...	Nil	Nil	Nil	Nil
5.	Others, please specify				
	<b>Total (A)</b>	<b>1.32</b>	<b>1.328</b>	<b>1.328</b>	<b>3.976</b>
	<b>Ceiling as per the Act</b>	<b>1.32*</b>	<b>1.328**</b>	<b>1.328**</b>	<b>3.976</b>

Note : The amount mentioned in ceiling is as per the approval received from the (i)\* Shareholders of the Company; and (ii)\*\*Central Government i.e. Ministry of Corporate Affairs, New Delhi.

### B. Remuneration to other directors:

Amount in ₹ crore

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Mr. Shekhar Datta	Mr. Aman Mehta	Mr. Davinder Singh Brar	Dr. Sanjaya Baru	Ms. Tasneem Mehta	Mr. Baldev Raj Arora	Mr. Vinesh Kumar Jairath	
1.	Independent Directors	0.09	0.12	0.12	0.12	0.12	0.12	0.04	0.73
	• Fee for attending board/ committee meetings								
	• Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (1)	0.09	0.12	0.12	0.12	0.12	0.12	0.04	0.73
2.	Other Non-Executive Directors	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
	• Fee for attending board/ committee meetings								
	• Commission								
	• Others, please specify								
	Total (2)	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
	Total (B)=(1+2)	0.09	0.12	0.12	0.12	0.12	0.12	0.04	0.73
	Total Managerial Remuneration**								3.976
	Overall Ceiling as per the Act								3.976

Notes:

- \*\*Total Managerial Remuneration consists of remuneration to Whole-time Directors of the Company as detailed in point VI A above.
- The Company does not have any Non-Independent Non-Executive Director.





**C. Remuneration to Key Managerial Personnel other than MD / Manager/WTD:**

Amount in ₹ lacs

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary	N.A.			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		52.83	111.92	164.75
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		4.36	4.38	8.74
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		Nil	Nil	Nil
2.	Stock Option		NIL		
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify...				
5.	Others, please specify				
	<b>Total</b>		<b>57.19</b>	<b>116.30</b>	<b>173.49</b>

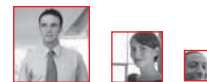
Note: The above remuneration includes remuneration paid to CFO and CS during the year 2016-17.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board

**Dr. H. F. Khorakiwala**  
Chairman  
DIN: 00045608



### ANNEXURE III TO THE BOARD'S REPORT

Disclosures pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014 regarding stock options are as hereunder and a web link thereto: <http://www.wockhardt.com/investor-connect/other-shareholders-services.aspx>

#### Wockhardt Employees' Stock Option Scheme-2011 ('Wockhardt ESOS-2011') – General terms and conditions:

Date of Shareholders' approval	12 <sup>th</sup> September, 2011
Total number of options approved under ESOS	25,00,000 Options
Vesting requirements	Option granted would vest after the expiry of one year from the date of grant of options and not later than the expiry of 10 years from the date of grant of options.
Exercise price or pricing formula	The exercise price shall be at such discount, if any, to the market price on the date of grant as may be decided by the ESOS Compensation Committee at the time of each grant and the price shall not be less than the face value of shares.
Maximum term of options granted	10 years from the date of grant of options
Source of shares	Primary
Variation in terms of options	Not Applicable
Method used to account for ESOS	Fair Value Method

#### Option movement during the year ended 31<sup>st</sup> March, 2017:

Sl. No.	Description	Wockhardt ESOS-2011
1.	Number of options outstanding as on 1 <sup>st</sup> April, 2016	6,98,750
2.	Number of options granted during the year	2,23,500
3.	Number of options forfeited / lapsed during the year	Nil
4.	Number of options vested during the year	1,63,900
5.	Number of options exercised during the year	39,125
6.	Number of shares arising as a result of exercise of options	39,125 Equity Shares
7.	Money realized by exercise of options (INR), if scheme is implemented directly by the company	₹ 1,95,625
8.	Loan repaid by the Trust during the year from exercise price received	Not Applicable
9.	Number of options outstanding as on 31 <sup>st</sup> March, 2017	8,83,125
10.	Number of options exercisable as on 31 <sup>st</sup> March, 2017	3,89,275
11.	Details of options granted to Key Managerial Personnel during the year	10,000
12.	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during the year.	4 employees have been granted total 1,30,000 Nos. of Options
13.	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil
14.	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options during the year calculated in accordance with Indian Accounting Standard (Ind AS 102)	₹ 12.26
15.	Where the Company has calculated employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the Company	N.A.



Sl. No.	Description	Wockhardt ESOS-2011
16.	Weighted Average Exercise Price and weighted average fair values of options disclosed separately for options whose exercise price either equals or exceeds or is less than market price of the stock	<p>Weighted Average Exercise Price: Relating to Grant made in FY 2011-12: ₹ 37.65 Relating to Grant made in FY 2012-13, 2014-15 &amp; 2016-17: ₹ 5</p> <p>Weighted Average Fair value of options: <b>Relating to FY 2011-12</b></p> <ul style="list-style-type: none"> <li>• For 60,000 options having exercise price of ₹ 397 per option is ₹ 106.47</li> <li>• For 60,000 options having exercise price of ₹ 365 per option is ₹ 142.60</li> <li>• For 1,420,000 options having exercise price of ₹ 5 per option is ₹ 410.14</li> </ul> <p><b>Relating to FY 2012-13</b></p> <ul style="list-style-type: none"> <li>• For 350,000 options having exercise price of ₹ 5 per option is ₹ 894.56</li> <li>• For 8,500 options having exercise price of ₹ 5 per option is ₹ 1,949.76</li> </ul> <p><b>Relating to FY 2014-15</b></p> <ul style="list-style-type: none"> <li>• For 200,000 options having exercise price of ₹ 5 per option is ₹ 588.29</li> </ul> <p><b>Relating to FY 2016-17</b></p> <ul style="list-style-type: none"> <li>• For 2,23,500 options having exercise price of ₹ 5 per option is ₹ 967.27</li> </ul>

A description of the method and significant assumptions used during the year to estimate the fair value of options is given below:

- The weighted-average values of share price at the time of grant are in the range of ₹ 414 to ₹ 1,954.20.
- Exercise price was of ₹ 5 to ₹ 397
- Fair value is calculated by using Black-Scholes option pricing formula.
- Stock Price: The closing price on National Stock Exchange of India Limited (NSE) as on the date prior to the date of grant has been considered for valuing the options granted.
- Volatility amount: This is the amount by which stock price is fluctuated or is expected to fluctuate. The method used in the model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of 12 months.
- Risk free interest rate: The yield on government securities at the time of grant of options is the basis of this rate and has been taken as 7.43% - 8.64%.
- Expected Life: For the fair value determination, it has been assumed that on an average, the exercise of options will take place at the end of six months from the date of vesting.
- Expected Dividend: As the stock prices for one year have been considered, the price movement on account of the dividend is already factored in and hence not separately built in.
- The early exercise part is incorporated in the assumption of 'years to maturity' which is an assumption of average time for exercise of options.
- The market price volatility is based on share price variation for the year prior to the date of grant.
- No other feature has been considered for fair valuation of options.

Note: The details about Stock Options are also provided under Note No. 46 of Notes to Financial Statements.

For and on behalf of the Board

**Dr. H. F. Khorakiwala**  
Chairman  
DIN: 00045608



**ANNEXURE IV TO THE BOARD'S REPORT  
REPORT ON CSR ACTIVITIES/INITIATIVES**

[Pursuant to Section 135 of the Companies Act, 2013 and Rules made thereunder]

**1. A brief outline of the Company's CSR policy, including overview of the projects or programs proposed to be undertaken and reference to the web-link to the CSR Policy and projects or programs.**

Pursuant to the requirement of the Companies Act, 2013 and the Rules made thereunder, the Company has well framed CSR Policy and web link thereto is <http://www.wockhardt.com/files/csr-policy.pdf>

The Company's CSR Policy aims at excellence through service to local communities wherein the Company operates with the involvement of employees. The focus areas for CSR are Healthcare, Education, Infrastructure development and Promoting social causes. Various CSR projects being undertaken as part of CSR activities are as under:

- a) **Mobile 1000** – The project aims at running mobile vans and provide free primary healthcare in rural areas all over India.
- b) **Little Hearts** – To save life of children born with heart defects.
- c) **Pronto Toilet & Pronto Bio Toilet** – Pronto Toilet & Pronto Bio-toilet are 2 sanitation solutions of Wockhardt Foundation that aim to improve hygiene among the masses and curtail ailments caused on account of dearth of proper sanitation facilities in the country. These initiatives include the construction and installation of toilets in communities, schools & educational institutions that ensure proper & eco-friendly disposal of human waste.
- d) **E-Learning** – Promoting academic excellence in rural areas through quality and innovative teaching methods.
- e) **Khel Khel Mein** – Promoting values and good habits through fun and play in urban slum localities. Khel Khel Mein develops the child's spiritual and emotional quotient which in turn helps the holistic development. A transformation from the undesirable human development to a positive one by:
  - Teaching human values and good habits;
  - Educational toys for the underprivileged children;
  - Books for basic learning and reading;
  - Inculcating civic sense.
- f) **SHUDHU** – Shudhu is a Water Purification Tablets which provides clean drinking water to the masses. One Shudhu tablet purifies up to 20 litres of water in 30 minutes and prevents all communicable water borne diseases like Jaundice, Diarrhea, Dysentery, Cholera, Polio, Giardia etc.
- g) **Adarsh Gram Yojna** – The project aims at adoption of village for its upliftment.

The CSR activities are implemented through Wockhardt Foundation, CSR arm of the Company under visionary leadership of its Trustee & CEO, Dr. Huzaifa Khorakiwala. A robust implementation structure, monitoring process and a team of Programme Heads and Warriors are in place for each CSR Project.

**2. The Composition of the CSR Committee:** The CSR Committee comprises of:

- Dr. H. F. Khorakiwala – Chairman (Executive)
- Mr. Aman Mehta – Member (Independent Director)
- Mr. Davinder Singh Brar – Member (Independent Director)
- Dr. Huzaifa Khorakiwala – Member (Executive)

**3. Average Net Profit of the Company for last 3 financial years:** Average Net Profit of the Company for the last three financial years as per Section 198 of the Companies Act, 2013 was ₹ (205.97) crores.

**4. Prescribed CSR expenditure (2% of the amount as in item 3 above):** Not applicable

**5. Details of CSR spent during the financial year:**

- a) **Total amount to be spent for the financial year:** During the financial year 2016-17, it was not mandatory for the Company to spend on CSR activities since the Average Net Profits for the immediately preceding 3 financial year calculated as per section 198 of the Companies Act 2013 stood negative. However, as continuing corporate governance practice over the period, the Company has voluntarily contributed an amount of ₹ 7.92 crores to Wockhardt Foundation, CSR arm of the Company, for spending on the CSR activities. Details of spending are provided in point (c) below:
- b) **Amount un-spent, if any:** Not applicable



**c) Manner in which the amount spent during financial year is detailed below:**

1	2	3	4	5	6	7	8
Sl. No	CSR project/ activity identified	Sector in which the Project is covered	Projects/ Programs 1. Local area/ others 2. Specify the state/ district where project/ programs was undertaken	Amount outlay (budget) project/ programs-wise (₹ in crore)	Amount spent on the project/ programs (₹ in crore) Sub-heads: 1. Direct expenditure on project/ programs 2. Overheads:	Cumulative expenditure upto the reporting period (₹ in crore)	Amount spent: Direct/ through implementing agency
1.	Mobile 1000	Health Awareness	Delhi Eye Van – 1 Aurangabad – 1 Ankleshwar -1 Mobile 1000 Van	0.87	0.87	0.87	Direct
2	Shudhu	Water/ Healthcare	J & K and Chennai	0.04	0.04	0.04	Direct
3	E-Learning	Education	Maharashtra (40 locations), Jaipur (10 locations)	0.55	0.55	0.55	Direct
4.	Khel Khel Mein	Education	Mumbai (10 locations)	0.66	0.66	0.66	Direct
5.	Pronto Toilet & Pronto Bio Toilet	Sanitation	Bio Toilets Maharashtra (90 Toilets)	3.80	3.80	3.80	Direct
6.	Adarsh Gram Yojna	Health/ Education/ Sanitation	Abdimandi Village Maharashtra	2.00	2.00	2.00	Direct

**6. In case the company has failed to spend the 2% of the Average Net Profit of the last 3 financial years or any part thereof, reasons for not spending the amount in its Board's Report:**

Not applicable

The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with CSR objectives and Policy of the Company.

**Dr. Huzaifa Khorakiwala**  
Executive Director  
DIN: 02191870

**Dr. H. F. Khorakiwala**  
Chairman of CSR Committee  
DIN: 00045608



## ANNEXURE V TO THE BOARD'S 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]

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 at arm's length basis:** NIL
2. **Details of material contracts or arrangements or transactions at arm's length basis:**

(a)	Name(s) of the related party and nature of relationship	Wockhardt Bio AG, subsidiary of the Company.
(b)	Nature of contracts/ arrangements/ transactions	Transfer or receipt of products, goods, materials, services etc.
(c)	Duration of the contracts/ arrangements/ transactions	Continuous basis
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	During the year 2016-17, transactions relating to management fees, outlicensing fees, sale of goods, guarantee fees, loans/ advances/ export advances, dividend income etc. were done with Wockhardt Bio AG which aggregate to ₹ 987.44 crore.
(e)	Date(s) of approval by the Board, if any:	Please refer Note below
(f)	Amount paid as advances, if any	N.A.

Note: As per Regulation 23 of the SEBI Listing Regulations, transactions with Wockhardt Bio AG were considered material and approval of shareholders has been obtained at the Annual General Meeting held on 15<sup>th</sup> September, 2014 for an estimated amount around USD 500 million every financial year.

For and on behalf of the Board

**Dr. H. F. Khorakiwala**  
Chairman  
DIN: 00045608



**ANNEXURE VI TO THE BOARD'S REPORT**

[Disclosure pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014]

- (i) **Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the year 2016-17:**

Name of Director	Designation	Ratio of the remuneration of director to the median remuneration of the employees for the year 2016-17
Dr. H. F. Khorakiwala	Chairman	40:1
Mr. Shekhar Datta	Independent Director	2.7:1
Mr. Aman Mehta	Independent Director	3.6:1
Mr. Davinder Singh Brar	Independent Director	3.6:1
Dr. Sanjaya Baru	Independent Director	3.6:1
Ms. Tasneem Mehta	Independent Director	3.6:1
Mr. Baldev Raj Arora	Independent Director	3.6:1
Mr. Vinesh Kumar Jairath	Independent Director	1.2:1
Dr. Huzaifa Khorakiwala	Executive Director	40:1
Dr. Murtaza Khorakiwala	Managing Director	40:1

Note: Remuneration of Independent Directors consists of only the sitting fees paid to them for attending Board/Committee Meetings.

- (ii) **The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:**

The Independent Directors are being paid sitting fee of ₹ 1,00,000 per meeting for attending Board/ certain Committee meetings. There is no increase in payment of sitting fees to Independent Directors as compared to previous year.

During the Financial Year 2016-17, the remunerations of Dr. H. F. Khorakiwala, Chairman, Dr. Huzaifa Khorakiwala, Executive Director and Dr. Murtaza Khorakiwala, Managing Director are in accordance with the requisite approvals of the shareholders and/or the Central Government, as the case may be. As compared to F.Y. 2015-16, there is no increase in remuneration of Chairman/ Executive Director/ Managing Director during the F.Y. 2016-17.

However, in terms of approval of Shareholders sought through postal ballot, the Company have increased the remuneration of (i) Dr. H. F. Khorakiwala, Chairman to ₹ 2.80 crore p.a. w.e.f. 1<sup>st</sup> April, 2017; and (ii) Dr. Huzaifa Khorakiwala, Executive Director and Dr. Murtaza Khorakiwala, Managing Director to ₹ 2.40 crore p.a. each w.e.f. 31<sup>st</sup> March, 2017.

The percentage increase in remuneration of (i) Mr. Manas Datta, Chief Financial Officer (CFO) of the Company is 15%; and (ii) Mr. Narendra Singh, Company Secretary (CS) of the Company is 5%.

- (iii) **The percentage increase in the median remuneration of employees in the financial year:** 8.64%
- (iv) **The number of permanent employees on the rolls of Company:** 6,768 as on 31<sup>st</sup> March, 2017
- (v) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.**

During the year 2016-17, the remunerations of Dr. H. F. Khorakiwala, Chairman, Dr. Huzaifa Khorakiwala, Executive Director and Dr. Murtaza Khorakiwala, Managing Director are in accordance with the approval received from the shareholders and/or the Central Government, as the case may be. As compared to F.Y. 2015-16, there is no change in the remuneration of Chairman/ Executive Director/ Managing Director during the F.Y. 2016-17.

However, in terms of approval of Shareholders sought through postal ballot, the Company have increased the remuneration of (i) Dr. H. F. Khorakiwala, Chairman to ₹ 2.80 crore p.a. w.e.f. 1<sup>st</sup> April, 2017; and (ii) Dr. Huzaifa Khorakiwala, Executive Director and Dr. Murtaza Khorakiwala, Managing Director remuneration has been increased to ₹ 2.40 crore p.a. each w.e.f. 31<sup>st</sup> March, 2017

The increase in remuneration is based on the Company's market competitiveness in the comparator group as well as overall business performance of the Company. The performance pay is also linked to the organization performance and team performance apart from an individual performance.

Median salary of the employees other than managerial personnel has been increased by 8.64%.

It is hereby affirmed that the remuneration paid during the year 2016-17 is as per the Remuneration Policy of the Company.

For and on behalf of the Board

**Dr. H. F. Khorakiwala**  
Chairman  
DIN: 00045608





## ANNEXURE VII TO THE BOARD'S REPORT

Your Company operates in a safe and environmentally responsible manner for the long-term benefit of all stakeholders. The Company is committed to take appropriate measures to conserve energy and drive energy efficiency in its operations.

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under Rule 8 of the Companies (Accounts) Rules, 2014 are provided below:

### (A) CONSERVATION OF ENERGY:

#### (1) Steps Taken or impact on Conservation of Energy

- 35 CFM air compressor used for water system instead of 300 CFM air compressor on plant off days.
- RO, UF and Purified reject water used in cooling tower and boiler water use instead of raw water.
- VFD installed in pressure water pump.
- Motion sensor installed on Air curtain to avoid continues operation.
- Purified water used instead of raw water in stability chamber boiler tank to reduce scale in tank.
- Common cooling tower utilized for chiller and air compressor to save energy and pumping cost.
- Recycled steam condensate as boiler feed water.
- Installed natural ventilator fan at chiller plant for energy saving purpose.
- Modification in compressed air distribution system to reduce line pressure drop.
- Utilization of waste heat of cooling water (Discharge of Condenser chiller) as hot water in HVAC System.
- CFL Lamps replaced by LED lamps in phased manner.
- Reduced compressed air generation pressure from 7.5 bar to 7.2 bar.
- Primary and secondary circuit water flow and head revaluated and new motor set installed.
- Temperature Controller installed on cooling tower fan.
- Installed High efficiency pump with high efficiency motor for Bulk drug 3 & 4 Cooling Water.
- Improved Pure steam piping distribution, which leads SIP cycle heating time reduce by 1.5 hrs.
- Recycling of HSRO Reject water in Purified water inlet as raw Water.

The Company had earlier formulated Energy Task force under the leadership of Managing Director to assess and implement various measures for conservation of energy as well as non-polluting energy resources.

#### (2) Steps taken by the Company for utilizing alternate sources of energy

- Use of Briquette Boiler in place of furnace oil boiler.
- Replacement of AHU electrical heater with Warm water heating coil for energy saving.
- Use of industrial diesel in place of high speed diesel in boiler.
- Replacement of direct expansion unit with chiller water cooling coil.
- Screw type efficient chilled brine plant installed in place of reciprocating type chilled brine plant.
- Screw type efficient air Blower installed in place of conventional lobe type air Blower.

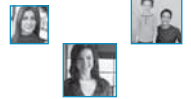
#### (3) The capital investment on energy conservation equipments

The investment on energy conservation equipments is ₹ 1.40 crore during the financial year 2016-17.

### (B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

#### 1. The efforts made towards technology absorption:

The Company sets target for technology improvement based on global competition criteria. Wockhardt scientists undertake specific time-bound programmes to improve technology, which has upscaled gradually until desired results are achieved at the manufacturing level. The Research scientists work in close relation with the manufacturing team to ensure smooth transfer of technology. Appropriate documents are created for quality control and this is monitored both by Wockhardt Quality Control Department and the Corporate Quality Assurance team.



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

- Cost reduction in an inflationary environment.
- The development of several new products and line developments.
- Substitution of imported raw materials.
- Product quality improvement and better stability.
- Export of APIs and finished formulations.

The details of Research & Development have been provided in Management Discussion & Analysis forming part of this Annual Report.

3. **Imported Technology (imported during the last 3 years reckoned from the beginning of the financial year):**

The Company has not imported any technology.

4. **The expenditure incurred on Research and Development:**

Particulars	Consolidated (₹ In crore)	Standalone (₹ In crore)
Capital	174.30	20.77
Revenue	397.13	237.78
<b>Total</b>	<b>571.43</b>	<b>258.55</b>

**(C) FOREIGN EXCHANGE EARNINGS & OUTGO**

During the year, the Foreign Exchange earnings was ₹ 912.08 crore and Foreign Exchange Outgo was ₹ 213.32 crore.

For and on behalf of the Board

**Dr. H. F. Khorakiwala**  
Chairman  
DIN: 00045608



**ANNEXURE VIII TO THE BOARD'S REPORT  
FORM AOC - 1**

(Pursuant to first proviso to sub-section(3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014  
Statement containing salient features of financial statement of subsidiaries/associate companies/ joint ventures

**Part A "Subsidiaries"**

(Amount in ₹ Crore)

Sr. No.	Name of the Subsidiary	The date since when subsidiary was acquired	Reporting currency	Exchange rate as on the last date of relevant financial year	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/(Loss) before taxation	Provision for taxation	Profit/(Loss) after taxation	Proposed dividend	Extent of shareholding (in percentage)
1	Wockhardt Infrastructure Development Limited	14/4/2006	INR	-	2.00	163.57	240.03	74.46	-	34.67	13.83	(1.41)	15.24	-	100.00
2	Z&Z Services GmbH @	21/4/2004	EUR	69.3120	0.17	(1.33)	0.58	1.74	-	-	-	-	-	-	85.85
3	Wockhardt Europe Limited	11/8/1999	GBP	80.8540	10.57	(2.80)	7.48	0.08	0.37	-	0.30	-	0.30	-	100.00
4	Wockhardt Nigeria Limited	10/1/2006	USD	64.8750	0.52	(0.35)	0.24	0.07	-	-	0.30	-	0.30	-	100.00
5	Wockhardt UK Holdings Limited	1/12/2003	GBP	80.8540	2.22	81.24	59.23	0.02	24.25	-	(0.02)	-	(0.02)	-	100.00
6	CP Pharmaceuticals Limited @	1/12/2003	GBP	80.8540	19.67	442.19	744.77	282.91	-	270.08	(79.10)	(15.33)	(63.77)	-	85.85
7	CP Pharma (Schweiz) AG @	1/12/2003	CHF	64.8360	1.62	(0.47)	1.18	0.03	-	0.01	(0.09)	0.03	(0.12)	-	85.85
8	Wallis Group Limited	18/2/1998	GBP	80.8540	11.39	11.82	-	0.01	23.22	-	-	-	-	-	100.00
9	The Wallis Laboratory Limited	18/2/1998	GBP	80.8540	0.03	(1.82)	-	1.79	-	-	(0.08)	-	(0.08)	-	100.00
10	Wockhardt Farmaceutica do Brazil Ltda	28/1/2004	USD	64.8750	2.39	(2.38)	0.02	0.01	-	-	(0.04)	-	(0.04)	-	100.00
11	Wallis Licensing Limited	18/2/1998	GBP	80.8540	-	(9.14)	23.40	32.54	-	-	-	-	-	-	100.00
12	Wockhardt USA LLC @	26/2/2004	USD	64.8750	12.98	35.90	999.72	950.84	-	699.86	15.24	-	15.24	-	85.85
13	Wockhardt Bio AG	17/10/2005	CHF	64.8360	336.81	1,756.82	3,551.95	2,390.08	931.76	1,433.86	(309.29)	(2.04)	(307.25)	-	85.85
14	Wockhardt UK Limited @	2/6/2006	GBP	80.8540	0.40	83.89	379.88	295.59	-	728.12	15.11	2.55	12.56	-	85.85
15	Wockpharma Ireland Limited @	1/9/2006	EUR	69.3120	69.32	15.57	0.01	672.03	756.91	-	(22.59)	-	(22.59)	-	85.85
16	Pinewood Laboratories Limited @	1/10/2006	EUR	69.3120	2.59	316.15	392.85	74.11	-	408.55	32.44	3.32	29.12	-	85.85
17	Wockhardt Holding Corp @	17/10/2007	USD	64.8750	0.01	159.79	48.76	157.99	269.03	-	(2.99)	-	(2.99)	-	85.85
18	Morton Grove Pharmaceuticals Inc @	23/10/2007	USD	64.8750	221.61	265.31	748.26	287.31	25.97	403.14	31.13	9.50	21.63	-	85.85
19	MGP Inc @	23/10/2007	USD	64.8750	-	14.88	37.99	23.11	-	33.06	2.45	-	2.45	-	85.85
20	Wockhardt France (Holdings) S.A.S @	9/5/2007	EUR	69.3120	416.57	(748.32)	9.86	619.30	277.69	0.22	1.60	(5.84)	7.44	-	85.85
21	Laboratoires Pharma 2000 S.A.S @	17/5/2007	EUR	69.3120	1.26	(30.94)	9.84	39.52	-	2.39	2.49	-	2.49	-	85.85
22	Laboratoires Negma S.A.S @	17/5/2007	EUR	69.3120	200.09	31.71	245.50	17.64	3.94	61.96	16.87	5.96	10.91	-	85.85
23	Niverpharma S.A.S @	17/5/2007	EUR	69.3120	1.11	(25.59)	4.23	28.71	-	0.47	(0.22)	-	(0.22)	-	85.85
24	Negma Beneulex S.A @	17/5/2007	EUR	69.3120	0.52	0.13	0.67	0.02	-	0.04	(0.19)	-	(0.19)	-	85.85
25	Phytex S.A.S @	17/5/2007	EUR	69.3120	7.42	(6.86)	0.58	0.02	-	-	(0.02)	-	(0.02)	-	85.85
26	Wockhardt Farmaceutica SA DE CV @	21/6/2012	USD	64.8750	18.72	(99.65)	21.88	102.81	-	3.32	(19.55)	-	(19.55)	-	85.85
27	Wockhardt Services SA DE CV @	17/12/2012	USD	64.8750	0.02	(0.79)	7.61	8.38	-	2.26	(0.23)	-	(0.23)	-	85.85
28	Pinewood Healthcare Limited @	1/10/2006	GBP	80.8540	0.81	(0.68)	0.17	0.04	-	-	(0.05)	-	(0.05)	-	85.85



Sr. No.	Name of the Subsidiary	The date since when subsidiary was acquired	Reporting currency	Exchange rate as on the last date of relevant financial year	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/(Loss) before taxation	Provision for taxation	Profit/(Loss) after taxation	Proposed dividend	Extent of shareholding (in percentage)
29	Wockhardt Bio (R) @	25/8/2015	RUB	1.1483	0.59	0.76	26.13	24.78	-	20.40	1.05	0.21	0.84	-	85.85
30	Wockhardt Bio Pty Ltd @	19/8/2015	AUD	49.5900	0.05	0.10	2.85	2.70	-	2.60	0.14	0.04	0.10	-	85.85
31	Wockhardt Bio Ltd	11/11/2015				-	-	-	-	-	-	-	-	-	-

**Notes:**

1. Reporting period of the subsidiaries is April to March.
2. Inclusive of shares held through subsidiaries.
3. Wockhardt Limited, the Company, holds directly or indirectly 100% shareholding in all the subsidiaries except as mentioned in Note 4 below.
4. @ The Company holds 85.85% shareholding in Wockhardt Bio AG which in turn holds 100% shareholding in these subsidiaries.
5. Wockhardt Bio Ltd. is yet to commence operations.
6. The investments made by all the subsidiary companies are only in their step-down subsidiaries, no other investments are made by these companies except Wockhardt Bio AG which has made other current investments.
7. The Company does not have any Associate Company as defined under Section 2(6) of the Companies Act, 2013 or joint venture and hence Part B is not applicable.
8. During the year, none of the subsidiary of the Company got liquidated or sold.

For and on behalf of the Board of Directors

**H. F. Khorakiwala**  
Chairman  
DIN: 00045608

**Huzaifa Khorakiwala**  
Executive Director  
DIN: 02191870

**Murtaza Khorakiwala**  
Managing Director  
DIN: 00102650

**Shekhar Datta**  
DIN: 00045591

**Aman Mehta**  
DIN: 00009364

**D. S. Brar**  
DIN: 00068502

**Sanjaya Baru**  
DIN: 05344208

**Tasneem Mehta**  
DIN: 05009664

**Baldev Raj Arora**  
DIN: 00194168

**Vinesh Kumar Jairath**  
DIN: 00391684

Directors

**Narendra Singh**  
Company Secretary

**Manas Datta**  
Chief Financial Officer

Place : Mumbai  
Date : May 4, 2017



## DETAILS OF SUBSIDIARIES

As on 31<sup>st</sup> March, 2017, the Company has 31 subsidiaries including indirect subsidiaries.

### INDIAN SUBSIDIARY

#### Wockhardt Infrastructure Development Limited

Wockhardt Infrastructure Development Limited ('WIDL') is a Wholly Owned Subsidiary of the Company. The Company is in the business of developing infrastructure at SEZ, Shendra, Aurangabad. For the year ended 31<sup>st</sup> March, 2017, the turnover amounted to ₹ 34.67 crore. During the year 2016-17, WIDL registered Profit After Tax of ₹ 15.24 crore as compared to ₹ 8.66 crore in the previous year reflecting a healthy growth of approximately 75.98%.

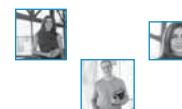
### FOREIGN SUBSIDIARIES

- Wockhardt UK Holdings Limited is a Wholly Owned Subsidiary of the Company. It is the Holding company of Wallis Group Limited. The main line of business of the Company is holding and owning securities of companies. As on 31<sup>st</sup> March, 2017, the total investments amounted to ₹ 24.25 crore.
- Wockhardt Limited holds 85.85% of the shares in Wockhardt Bio AG, a company incorporated at Switzerland. The shares of Wockhardt Bio AG are listed and traded at BX Bern exchange. Wockhardt Bio AG is active in the development, manufacturing and marketing of Pharmaceutical and Bio-pharmaceutical formulations, and caters primarily to markets in the United States, United Kingdom, Ireland, France, and Latin America. For the year ended 31<sup>st</sup> March, 2017, the turnover amounted to ₹ 1,433.86 crore.
- Wockhardt Europe Limited, a company incorporated at British Virgin Island, is a Wholly Owned Subsidiary of the company. For the year ended 31<sup>st</sup> March 2017, the total investments amounted to ₹ 0.37 crore and have registered the Profit After Tax of ₹ 0.30 crore.
- CP Pharmaceuticals Limited, incorporated in UK, is a step down Subsidiary of the Company. The principal activity of the company is Manufacturing and Sale of Pharmaceuticals. The company is also undertaking research and manufacturing activity on customer products and manufacturing technologies. The Turnover of the company for the year amounted to ₹ 270.08 crore.
- CP Pharma (Schweiz) AG, incorporated in Switzerland, is a subsidiary of Wockhardt Bio AG. For the year under review, the company Net Loss After Tax Stood at ₹ 0.12 crore.
- Wallis Group Limited, incorporated in UK, is a subsidiary of Wockhardt UK Holdings Limited. As on 31<sup>st</sup> March, 2017, the total investments amounted to ₹ 23.22 crore.
- The Wallis Laboratory Limited and Wallis Licensing Limited are the subsidiaries of Wallis Group Limited. The principal business of both the companies is manufacture of pharmaceutical products. These Companies have been incorporated in UK.
- Wockhardt UK Limited is a subsidiary of Wockhardt Bio AG. The principal activity of the company is sale and distribution of pharmaceutical products and related services. The Turnover of the company stood at ₹ 728.12 crore. Further, Profit After Tax amounted to ₹ 12.56 crore showing a growth of 71.35%.
- Pinewood Healthcare Limited (PHL), incorporated in UK, is a subsidiary of Wockhardt Bio AG. The principal activity of the company is sale and distribution of pharmaceutical products and related services.
- Wockhardt USA LLC is a subsidiary of Morton Grove Pharmaceuticals, Inc. It is engaged in the business of marketing, selling and distributing pharmaceutical products in the United States. It has registered a Turnover of ₹ 699.86 crore and Profit After Tax amounted to ₹ 15.24 crore for the year under review.
- Wockhardt Holding Corp., incorporated in USA, is a subsidiary of Wockhardt Bio AG. The company's Net Loss After Tax for the year under review stood at ₹ 2.99 crore. The investments of the Company stood at ₹ 269.03 crore.
- Morton Grove Pharmaceuticals Inc. is a subsidiary of Wockhardt Holdings Corp. It is engaged in the business of manufacturing pharmaceutical products. During the year under review, the company reported a Profit After Tax of ₹ 21.63 crore showing a growth of 91.75 %.



- MGP Inc. incorporated in USA, is engaged in research and development activities for pharmaceutical products. During the year under review, the Profit After Tax of the Company stood at ₹ 2.45 crore.
- Wockhardt Farmaceutica SA DE CV, is a company formed under Mexican laws. It is a subsidiary of Wockhardt Bio AG. The object of the company is to sell, market and distribute all pharmaceuticals products. The turnover for the year ended 31<sup>st</sup> March, 2017 stood at ₹ 3.32 crore.
- Wockhardt Services SA DE CV has been incorporated in Mexico. It is in the business of providing services to pharmaceutical companies. It is a subsidiary of Wockhardt Bio AG. The turnover of the company for the year ended 31<sup>st</sup> March, 2017 stood at ₹ 2.26 crore.
- Pinewood Laboratories Limited is a subsidiary of Wockpharma Ireland Limited. During the year under review, the company registered a turnover of ₹ 408.55 crore and Profit After Tax of the company stood at ₹ 29.12 crore. The principal activity includes manufacture and distribution of pharmaceutical products.
- Wockpharma Ireland Limited, incorporated at Ireland, is a subsidiary of Wockhardt Bio AG. It holds 100% issued share capital of Pinewood Laboratories Limited. Investment of the Company for the year ended 31<sup>st</sup> March, 2017 stood at ₹ 756.91 crore.
- Wockhardt Nigeria Limited, incorporated at Nigeria, is a subsidiary of Wockhardt Europe Limited. The principal business of the company is importation and distribution of Drugs and Pharmaceutical Products. For the year under review, the Company registered a Profit after Tax of ₹ 0.30 crore vis-a-vis ₹ 0.11 crore of previous year.
- Wockhardt Farmaceutica do Brasil Ltda, is incorporated at Brazil. The Wallis Laboratory Ltd (90%) and Wockhardt Europe Limited (10%) together hold 100% of the equity of the company. The principal business of the said company is marketing of pharmaceutical products.
- Wockhardt France (Holdings) S.A.S., incorporated in France, is a subsidiary of Wockhardt Bio AG. The said company is the Parent of Laboratoires Pharma 2000 S.A.S, Laboratoires Negma S.A.S., Niverpharma S.A.S. and Phytex S.A.S. All these Companies are also incorporated in France. For the year under review, the Company showed a Profit after Tax of ₹ 7.44 crore.
- Negma Beneulex S.A., incorporated at Belgium. The company's Net Loss after Tax stood at ₹ 0.19 crore.
- Z&Z Services GmbH, incorporated at Germany, is a subsidiary of Wockhardt Bio AG.
- Wockhardt Bio (R), incorporated in Russia, is a subsidiary of Wockhardt Bio AG. For the year ended 31<sup>st</sup> March, 2017, the Net Profit After Tax stood at ₹ 0.84 crore as compared to Net Loss After Tax of ₹ 0.33 crore of previous year.
- Wockhardt Bio Pty Ltd, incorporated in Australia, is a subsidiary of Wockhardt Bio AG. For the year under review, The company's Net Profit After Tax Stood at ₹ 0.10 crore.

The financials and related details of the Subsidiaries have been provided in Form AOC-1 forming part of this Annual Report.



## BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report of the Company for the financial year ended 31<sup>st</sup> March, 2017 is as under:

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company	L24230MH1999PLC120720
2. Name of the Company	Wockhardt Limited
3. Registered Address	D-4, MIDC, Chikalthana, Aurangabad – 431006
4. Website	www.wockhardt.com
5. E-mail ID	investorrelations@wockhardt.com
6. Financial Year Period	1 <sup>st</sup> April 2016 - 31 <sup>st</sup> March 2017
7. Sector(s) that company is engaged in (industrial activity code-wise)	NIC Code : 210 Description : Pharmaceuticals
8. List three key products / services that the Company manufactures/ provides (as in balance sheet)	a. Active Pharmaceutical Ingredients (API) b. Formulations c. Bio similar d. Vaccines
9. Total number of locations where business activity is undertaken by the Company	<b>Number of International locations</b> Seven - Switzerland, USA (Illinois & New Jersey), UK, Ireland, France and Dubai. <b>Number of National locations</b> Six in Maharashtra [Mumbai, Chikalthana, Shendra, Waluj], 2 in Daman UT - Nani Daman; and one each in Gujarat - Ankleshwar and Himachal Pradesh - Baddi
10. Markets served by the Company (Local/ State/ National/ International)	<b>Market served through subsidiaries/ step down subsidiaries</b> USA, UK, Ireland, France, European Union, Russia, Mexico, Brazil, Australia, New Zealand and Nigeria. <b>Direct marketing/ Others</b> India, Russia, Brazil, Mexico, Vietnam, Philippines, Nigeria, Kenya, Ghana, Tanzania, Uganda, Nepal, Myanmar, Sri Lanka, Mauritius, Lebanon and Kuwait.

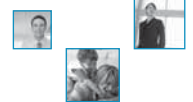
### SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR) : 353.83 crores
2. Total Turnover (INR) : 2,546 crores
3. Total Profit After Taxes (INR) : 137 crores
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) : 5.78% [i.e. ₹ 7.92 crore].

During the financial year 2016-17, it was not mandatory for the Company to spend on CSR activities since the average net profits for the immediately preceding 3 financial years calculated as per Section 198 of the Companies Act, 2013 ('Act'), was negative. However, as a continuing good governance practices, the Company has contributed ₹ 7.92 crore to Wockhardt Foundation, the CSR arm of the Company, for carrying out CSR activities.

Wockhardt Foundation, a registered Trust, has been relentlessly working for the welfare of the society from past many years and exclusively undertaking CSR activities. The corpus is created exclusively for the purpose related directly to a subject covered in Schedule VII of the Act.





5. List of activities in which expenditure in 4 above has been incurred:

- Promoting health care
- Education
- Bio toilets
- Safe drinking water

Expenditure has been incurred for CSR Activities are as per the CSR Policy of the Company. The details of the same have been provided in a Report on CSR activities forming part of this Annual Report.

### SECTION C: OTHER DETAILS

#### 1. Does the Company have any Subsidiary Company / Companies?

As of 31<sup>st</sup> March 2017, the Company has 31 subsidiaries (including step down) located in Switzerland, US, UK, Ireland, Germany, France, Belgium, Mexico, Brazil, Nigeria, Russia, Australia, New Zealand and one in India.

The manufacturing plants are located in India, UK, Ireland, France and US.

#### 2. Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s)?

Wockhardt Ltd., being the holding company, undertakes the majority of BR initiatives.

#### 3. Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%] ?

The Company's Anti-Bribery and Anti-Corruption Policy; and the Whistle Blower Policy applies to third party partners including customers, suppliers and other stakeholders of the Company. Wherever possible, through its Policies, the Company engages such stakeholders groups to accomplish the BR initiatives.

The Company plans to deepen this engagement in the coming years.

### SECTION D: BR INFORMATION

#### 1. Details of Director / Directors responsible for BR:

a) Details of the Director / Directors responsible for implementation of the BR policy / policy

DIN : 00102650  
Name : Dr. Murtaza Khorakiwala  
Designation : Managing Director

b) Details of the BR head

DIN : 00102650  
Name : Dr. Murtaza Khorakiwala  
Designation : Managing Director  
Telephone No. : 022 - 2653 4444  
Email: : investorrelations@wockhardt.com

#### 2. Principle-wise (as per NVGs) BR Policy / policies:

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs have been articulated in the form of nine Principles as briefed below:

P1 – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 – Businesses should promote the well-being of all employees.

P4 – Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5 – Businesses should respect and promote human rights.

P6 – Businesses should respect, protect, and make efforts to restore the environment.



P7 – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 – Businesses should support inclusive growth and equitable development.

P9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner.

**(a) Details of compliance (Reply in Y / N)**

Sl. No.	Questions	Business Ethics	Product Life cycle Sustainability	Welfare of Employees	Stakeholder Engagement	Human Rights	Environment	Public Policy	CSR	Value to customers
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for...	Y	Being a pharma company, it is always ensured that it's products are safe and focuses on optimal utilisation of resources.	Y	Y	Y	Y	The Company is member of various professional/ trade bodies etc. through which areas of concern or importance are articulated.	Y	The Company in its operations ensure customer value through its product design and labelling etc. However, no need has been felt to formulate a specific Policy for the same.
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y		Y	Y	Y	Y		Y	
3	Does the policy conform to any national / international standards? If yes, specify? #	Y		Y	Y	Y	Y		Y	
4	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y		Y	Y	Y	Y		Y	
5	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y		Y	Y	Y	Y		Y	
6	Indicate the link for the policy to be viewed online?	* @		* @	* @	@	@		*	
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y		Y	Y	Y	Y		Y	
8	Does the Company have in-house structure to implement the policy/policies?	Y		Y	Y	Y	Y		Y	
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y		Y	Y	Y	Y		Y	
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y		N	Y	N	Y		Y	

\* <http://www.wockhardt.com/investor-connect/policies.aspx>

@ Internal Portal accessible to all the employees of the Company.

# The Policies are broadly based on the National Voluntary Guidelines on social, environment and economical responsibilities of business issued by the Ministry of Corporate Affairs.

(b) If answer to Sl. No 1 against any principle, is 'No', please explain why:

The Company is committed to have requisite policies, wherever required, in place, in next 2-3 quarters.



**3. Governance related to BR:**

- a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:**

Reviewed annually

- b) **Does the Company publish a BR or a Sustainability Report ? What is the hyperlink for viewing this report? How frequently it is published?**

This being the first Business Responsibility Report of the Company, forms part of Annual Report 2016-17; and the same is also available on the Company's website [www.wockhardt.com](http://www.wockhardt.com)

**SECTION E: PRINCIPLE-WISE PERFORMANCE**

**Principle 1:**

- 1. Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

The Company is committed to build a strong organisation by adopting high standards of professionalism, honesty, integrity and ethical behaviour.

In accordance with the Company's philosophy of promoting ethical conduct and practices throughout the organization for enhancing stakeholders' value, the Board of Directors of the Company have laid down a "Code of Business Conduct and Ethics for Board of Directors and Senior Management ('Code'). The Code requires every Board member and Senior Management Personnel to exhibit the highest standards of professionalism, honesty and integrity along with impartiality, fairness and equity.

Further, the Board has also adopted Anti-bribery and Anti-corruption Policy which applies to all individuals working for all affiliates and subsidiaries of the Company at all levels including directors, senior executives, officers, employees, consultants, contractors, trainees, seconded staff, casual workers, volunteers, interns, agents, or any other person associated with the Company.

The purpose of the Code and the Policy is to build and strengthen a culture of transparency and trust within the organization.

The Company has an internal structure to ensure compliance with the Code and Policy.

- 2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

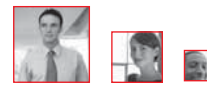
During the year under review, 10 complaints were received from the Company's equity shareholders. The complaints involved issues which includes non-receipts of dividend warrant / bonus certificate. Complaints received through SCORES were also resolved promptly. There was no complaint pending as on 31<sup>st</sup> March, 2017. The statement providing the details of investor complaints are also disseminated to stock exchanges on a quarterly basis.

Apart from this, there were 1,177 letters/ queries relating to change of address, issue of duplicate share certificates, Registration of ECS details and issue of fresh Demand drafts in lieu of unpaid dividend etc. which were resolved promptly.

Status of customers' complaints as on 31<sup>st</sup> March, 2017 was as under:

Sl. No.	Particulars	Nos.
1.	At the beginning of the year on 1 <sup>st</sup> April, 2016	15
2.	Received during the year	144
3.	Resolved during the year	148
4.	Pending as on 31 <sup>st</sup> March, 2017	11

4 Nos. of grievances received from employees have also been addressed.



**Principle 2:**

**1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.**

The following products have helped to address environmental concerns:

- WOSULIN 100 IU
- IBUPROFEN 100 MG / 5 ML 100 ML
- HALOPERIDOL SOLN BP 5MG/5ML
- LAXOSE X 500 ML

**2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

**(a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?**

**(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

Efforts were taken at Site to improve yield of the products i.e. more output with almost same Input (Water, Energy, Raw material etc.), which results in saving of resources, became an important step for positive impact on environment. Yield improvement has been done for few products. Details of % yield improvement done for four Products are as follows:

- WOSULIN 100 IU – Yield has been improved from 72 to 77 which is 5%.
- IBUPROFEN 100 MG / 5 ML 100 ML – Yield has been improved from 95 to 96.2 which is 1.2%.
- HALOPERIDOL SOLN BP 5MG/5ML – Yield has been improved from 85.5 to 94.1 which is 8.6%.
- LAXOSE X 500 ML – Yield has been improved from 89.5 to 97.2 which is 7.7%.

Further, the Company conducts its activities in such a manner as to protect the environment, interests of employees and general public. The Company monitors its efforts for sustainable use of resources in manufacturing and is committed to optimum utilisation of all resources.

**3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

During the process of registering or approving any supplier or vendor, the Procurement team of the Company secures access to relevant documents to verify the pre-requisites and all compliances as required by law. In case of API or key raw material suppliers, Quality Assurance Team visits their premises to evaluate their delivery capabilities and quality processes.

The Company is in the process of deploying sustainable sourcing process with awareness towards environment, health and safety, human rights and key social compliances. The activities relating to sustainable sourcing are also detailed hereunder:

**Finished product Manufacturing site**

The Company performs Audit of manufacturing site to ensure compliance with regulatory guidelines such as Schedule M, WHO GMP etc. It is ensured that all activities related to manufacturing, packaging, quality control, dispatch of products, quality systems & documents are in place and complying as per regulations. Quality audit also covers areas like Water system, Utilities, Effluent treatment plant and scrap yard.

The Company also conducts Training programmes for employees of Vendors for Good Manufacturing Practices, Cleaning and personal hygiene, Good Documentation practices, Safety etc.

**Warehouse and CFA**

The Company performs Audit of Warehouse and CFA to ensure Good Warehousing/ Distribution practices. It is ensured that all products are stored as per required temperature condition and segregation of product is as per category, storage, repacking, dispatch of products; & documents are in place and complying as per regulations.

The Company conducts Training Session for employees on Goods Warehousing/ Distribution practices, cleaning and personal hygiene, Good Documentation practices, Safety etc.



### Analytical Laboratory

The Company performs Audit of Analytical Laboratory to check Compliance with Good laboratory practices and evaluate that all activities related to testing & identification of drugs are as per regulations. It is also checked that all required Safety equipment / measures are available in laboratory and documents are maintained as per required standards.

The Company conducts Training Session for employees on Good Laboratory Practices, Good Documentation practices, Safety etc.

#### 4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work?

**If yes, what steps have been taken to improve the capacity and capability of local and small vendors?**

The Company, being into pharmaceuticals business, operates in a stringent regulatory framework for its products and services. The Company follow strict sourcing procedures for its APIs, raw materials, packing materials, other chemicals etc. considering the requirements of applicable manufacturing and quality processes. Over the period, the Company has long standing business relations with regular vendors and tries to encourage sourcing of the goods and services from appropriate vendors including local and small, wherever applicable.

#### 5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste? (Separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company has a mechanism to recycle or dispose material including waste in an authorised manner, wherever possible. The wastes generated from the operations are segregated into recyclable (RC), non-recyclable (NRC) and non-recyclable non-biodegradable (NRCNB).

Wherever possible, efforts are made to convert NRC and NRCNB wastes to RC by finding industries that can use these wastes as raw materials.

### Principle 3:

Sl. No.	Particulars	Details
1	Please indicate the total number of employees	6,768
2	Please indicate the total number of employees hired on temporary/ contractual/ casual basis	1,565
3	Please indicate the Number of permanent women employees	428
4	Please indicate the Number of permanent employees with disabilities	4
5	Do you have an employee association that is recognized by management	Yes. The Company has recognized employee associations at L1, Aurangabad & Ankleshwar. Around 172 workmen are members of the said internal union.
6	What percentage of your permanent employees is members of this recognized employee association?	About 3%
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year	
	<b>Category</b>	<b>No. of complaints filed during the financial year</b> <b>No. of complaints pending as on end of the financial year</b>
	Child labour/forced labour/ involuntary labour	Nil      Nil
	Sexual harassment	Nil      Nil
	Discriminatory employment	Nil      Nil



8	<b>What percentage of your under mentioned employees were given safety &amp; skill upgradation training in the last year?</b>		
	a)	Permanent Employees	100%
	b)	Permanent Women Employees	100%
	c)	Casual/Temporary/Contractual Employees	100%
	d)	Employees with Disabilities	100%

Note: At all the manufacturing sites, all the Employees have to undergo safety training without which they cannot start their work.

**Principle 4:**

**1. Has the Company mapped its internal and external stakeholders?**

The Company has mapped its internal and external stakeholders.

**2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?**

The Company has identified its disadvantaged, vulnerable and marginalised stakeholders.

**3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

Being a global pharmaceutical Company, the Company has analysed its eco system and identified challenges such as malnutrition, lack of sanitation, hunger and disease, education and poor rural development. Our CSR programmes are built around the key focus areas (i) Healthcare, (ii) Education, (iii) Infrastructure development; and (iv) Promoting social causes etc.

The Company's 'Whistle Blower Policy' encourage all stakeholders to report their genuine concern, if any. The Policy provides for adequate safeguard to the Whistle Blower against victimisation. Additionally, the Company has also an investors' grievance cell where the investors can raise their concerns.

**Principle 5:**

**1. Does the policy of the Company on human rights cover only the Company or extend to the Group/ JV/ Suppliers/ Contractors/ NGO/ Others?**

Wockhardt is an equal opportunity provider employer and does not discriminate based on colour, caste, race, region, disability, religion etc. Women candidates are encouraged to apply.

The policy on human rights covers not only the Company but also extends to external stakeholders such as suppliers, vendors, contractors, group companies and subsidiaries.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?**

No stakeholder complaints were received in the reporting period with regards to human rights violations.

**Principle 6:**

**1. Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

Wockhardt is committed to conduct its business in a responsible manner by ensuring the safety and health of its employees, customers, partners, contractors and community neighbours.

The responsibility for adherence to the policy related to Environment, Health & Safety lies with key stakeholders viz. employees and workers, contractors and partners, community representatives and public at large.

The Company is committed to operate all its units in an environment friendly manner while protecting health and safety of its employee.



**2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? If yes, please give hyperlink for webpage etc.**

Yes. The Company complies with applicable energy laws and regulations and reviews its technology upgradation and energy efficiency initiatives on a periodic basis. These actions contribute to mitigation of GHG emissions. The Company also understands the importance of climate change, risk mitigation by adapting to likely climate changes and its impact on business operations.

The Company has begun the process of inventorisation of its Greenhouse Gas emissions.

**3. Does the Company identify and assess potential environmental risks?**

Yes.

**4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

At present, the Company does not have any project related to Clean Development Mechanism.

**5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy etc.? If yes, please give hyperlink to web page etc.**

Yes. The Company has undertaken several initiatives in terms of energy efficiency and cleaner technologies. Some of the energy efficient initiatives carried out by the Company at different locations are as under:

- VFD installed in pressure water pump.
- Recycled steam condensate as boiler feed water.
- CFL Lamps replaced by LED lamps in phased manner.
- Use of Briquette Boiler in place of Furnace oil boiler.
- Use of industrial diesel in place of high speed diesel in boiler.

The details of the same have also been provided in the Board's Report forming part of this Annual Report.

**6. Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?**

Yes. The air quality levels are well within the standards and limits prescribed by the Pollution Control Boards.

An effluent treatment facilities installed at the manufacturing units of the Company have been working satisfactorily and meets the regulatory norms as prescribed by the Pollution Control Boards. At few sites, discharged process water is being recycled after treatment thus conserving water.

Solid waste from plants is also safely disposed-off or stored as per guidelines prescribed by the State Pollution Control Boards.

**7. Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as of end of financial year.**

Two.

As on 31<sup>st</sup> March, 2017, the matters are pending in The National Green Tribunal, Western Zone, Pune.

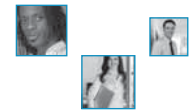
**Principle 7:**

**1. Is your Company a member of any trade and chambers or association? If yes, name only those major ones that your business deals with.**

The Company is a member of the following trade and chambers or association:

- IMS AG
- Elsevier B.V.





- World Economic Forum
- Indian Pharmaceuticals Alliance
- Federation of Indian Chamber of Commerce and Industry
- Confederation of India Industry
- Bombay Management Association

**2. Have you advocated/ lobbied through above associations for the advancement or improvement of public good? If yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Polices, Energy Security, Water, Food Security, Sustainable Business Principles, Others)**

The Company, from time to time, tries to contribute through advocacy/ representation to various Chamber of Commerce, administration and authorities in the area that is of concern or importance.

The Company has also apprised the Govt. of India that Wockhardt will help Antibiotic Stewardship Program with Govt. to encourage responsible use of antibiotic in the country:

- Use of antibiotic by medical professional on scientific basis (highlighting misuse of drugs)
- Advocacy approach to align Policies by Regulators
- Create awareness for general consumers
- Wockhardt Surveillance Study – to continue for two years as it is providing pertinent information on hospital and indication wise prevalence of Resistant Pathogens. This information would complement the activities of Antibiotic Stewardship Forum.

**Principle 8:**

**1. Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof.**

As a global pharmaceutical major, the Company continues to focus on social concerns such as malnutrition, lack of sanitation, hunger and disease, education and rural upliftment. Further, through its CSR programmes that are built around the key focus areas such as healthcare (promoting preventive health care, sanitation and safe drinking water), education, infrastructure development and promoting social causes etc., the Company continues to engage itself for the welfare of society at large.

**2. Are the programmes/ projects undertaken through in-house team / own foundation/ external NGO/ government structures / any other organization?**

The programmes are undertaken by Wockhardt Foundation, CSR arm of the Company, under the leadership of its Trustee & CEO, Dr. Huzaifa H. Khorakiwala who is the Executive Director of the Company.

**3. Have you done any impact assessment of your initiatives?**

Projects undertaken as part of CSR initiatives are reviewed from time to time. Each project has specific deliverables to be met. The internal teams ensure the implementation of the projects undertaken.

**4. What is the Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?**

During the financial year 2016-17, it was not mandatory for the Company to spend on CSR activities since the average net profits for the immediately preceding 3 financial years calculated as per Section 198 of the Companies Act 2013, was negative. However, as a continuing good governance practices, the Company has contributed ₹ 7.92 crore to Wockhardt Foundation, the CSR arm of the Company, for its CSR activities.

The details of CSR activities and manner in which amount have been spent is provided in Report on CSR activities forming part of this Annual Report.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Yes. The Company firmly believe that community development initiatives are adopted by the community.



**Principle 9:**

**1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year?**

As on 31<sup>st</sup> March, 2017, there were about 0.8% complaints pending.

**2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (Additional information)**

Product information such as Lot no., product ingredient specifications along with Gross weight and Net weight, percentage of each ingredient, date of manufacture and date of expiry etc. are printed on product packaging in accordance with applicable regulations.

**3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as of end of financial year? If so, provide details thereof, in about 50 words or so.**

During the year, no case has been filed by any stakeholder against the Company regarding unfair trade practices and irresponsible advertising and no case is pending as on 31<sup>st</sup> March, 2017.

However, a class action is initiated against various pharmaceutical companies including Wockhardt Limited. This anti-trust action is relating to price hike of various generic drugs such as Clobetasol, Desonide, Lidex, Fluocinonide, Propranolol, Pravastatin, Divalproex ER, Econazole, Levothyroxine etc. The Company is one of the manufacturer and marketer of the few of the said products viz.; Clobetasol & Desonide.

The matter, as it stands today, as regards the Company's exposure to risk and potential liabilities, we see minimal exposure (actual or threatened) as the matter is currently being argued in USA by our legal and regulatory personnel and we are positively hopeful that the Company's name would be removed from the said litigation/ class action claims.

**4. Did your Company carry out any consumer survey / consumer satisfaction trends?**

Consumer surveys are periodically carried out by the Company to understand the customer needs and feedback.



## REPORT ON CORPORATE GOVERNANCE

In compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'SEBI Listing Regulations'), the Company submits the Report on Corporate Governance for the financial year ended 31<sup>st</sup> March, 2017 containing the matters mentioned in the said Regulations with respect to Corporate Governance requirements.

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Wockhardt strives to adopt the highest standards of excellence in Corporate Governance to enhance its value and value of its stakeholders. The core value of Company's governance process includes independence, integrity, accountability, transparency, responsibility and fairness. The Company believes that good Corporate Governance strengthens the investors trust and ensures long term relationship with other stakeholders which helps the Company to achieve its objectives.

### 2. BOARD OF DIRECTORS

#### (a) Composition and other related matters

The Board consists of an optimal combination of Executive and Non-Executive Independent Directors, representing a judicious mix of in-depth knowledge and experience.

As on 31<sup>st</sup> March, 2017, the Board consist of 10 (Ten) Directors comprising of 3 (Three) Executive Directors; and 7 (Seven) Independent Directors which includes one Woman Director.

During the year 2016-17, Mr. Vinesh Kumar Jairath (DIN: 00391684) has been appointed as an Additional, Non-Executive, Independent Director of the Company w.e.f. 10<sup>th</sup> November, 2016.

The composition of the Board, details of other directorships, committee positions as on 31<sup>st</sup> March, 2017 and attendance of Directors at the Board Meetings and at the Annual General Meeting ('AGM') held during the year under review are given in the table below:

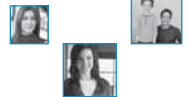
Name of the Director	Category of Directorship	Number of directorships held in other Companies		Number of Committee positions held in other Public Companies <sup>(3)</sup>		Attendance at	
		Total Directorship <sup>(1)</sup>	Directorship in other Public Companies <sup>(2)</sup>	Chairman	Member	Board Meetings	Last Annual General Meeting (13 <sup>th</sup> August, 2016)
Dr. H F Khorakiwala <b>Chairman</b> DIN: 00045608	Executive/ Promoter	16	1	Nil	Nil	4	Yes
Mr. Shekhar Datta DIN: 00045591	Non-Executive Independent	6	4	Nil	2	3	No
Mr. Aman Mehta DIN: 00009364	Non-Executive Independent	5	5	2	3	4	Yes
Mr. Davinder Singh Brar DIN: 00068502	Non-Executive Independent	15	3	1	4	4	Yes
Dr. Sanjaya Baru DIN: 05344208	Non-Executive Independent	1	1	Nil	1	4	Yes
Ms. Tasneem Mehta DIN: 05009664	Non-Executive Independent	Nil	Nil	Nil	Nil	4	Yes
Mr. Baldev Raj Arora DIN: 00194168	Non-Executive Independent	2	2	Nil	Nil	4	Yes
Mr. Vinesh Kumar Jairath* DIN: 00391684	Non-Executive Independent	7	7	3	4	2	N.A.
Dr. Huzaifa Khorakiwala <b>Executive Director</b> DIN: 02191870	Executive/ Promoter	12	2	Nil	1	3	Yes
Dr. Murtaza Khorakiwala <b>Managing Director</b> DIN: 00102650	Executive/ Promoter	9	2	1	Nil	4	Yes

<sup>(1)</sup> The number of total directorships excludes foreign companies.

<sup>(2)</sup> Excludes directorships in Private Limited Companies, Foreign Companies and Section 8 Companies.

<sup>(3)</sup> This includes only Chairmanships/ Memberships of the Audit Committee and Stakeholders Relationship Committee of all listed and unlisted public limited companies as per Regulation 26 of the SEBI Listing Regulations.

\* Mr. Vinesh Kumar Jairath was appointed as an Additional Director of the Company categorised as Non-Executive, Independent Director w.e.f. 10<sup>th</sup> November, 2016. There were only two Board meetings held during his tenure, both of which were attended by him.



As will be seen from the above table, none of the Directors hold directorship in more than 20 Companies (including limit of maximum directorship in 10 public companies) pursuant to the provisions of Section 165 of the Companies Act, 2013.

In compliance with Regulation 25(1) of the SEBI Listing Regulations, none of the Independent Directors hold directorships in more than seven listed companies. Further, none of the Director who serves as Whole Time Director in any listed Company serves as Independent Director in more than three listed companies.

None of the Directors are members of more than ten committees of the prescribed nature or holds Chairmanship of more than five such committees across all listed or unlisted public limited companies in which they are directors, thereby complying with the provisions of Regulation 26 of the SEBI Listing Regulations.

The details of Equity Shareholding of all the Directors in the Company are provided in the Board's Report.

#### **Inter-se relationships among Directors**

Dr. Huzaifa Khorakiwala, Executive Director and Dr. Murtaza Khorakiwala, Managing Director of the Company are the sons of Dr. H. F. Khorakiwala, Chairman. Except this, there are no inter-se relationships amongst the Directors.

#### **Independent Directors**

The Independent Directors ('IDs') fulfil the criteria/ obligations as stated under Regulation 25 of the SEBI Listing Regulations and have given declaration of independence. During the year under review, Mr. Vinesh Kumar Jairath was appointed as an ID for a term of five years. Letter of appointment containing terms and conditions of his appointment was issued to him. The draft letter of appointment, containing the terms of reference and the duties and responsibilities of the IDs, is available on the website of the Company [www.wockhardt.com](http://www.wockhardt.com). The tenure of independent directors is in accordance with the requirement of the Companies Act, 2013.

A separate meeting of Independent Directors was conducted on 24<sup>th</sup> January, 2017. All the Independent Directors were present at the said meeting.

Whenever any new Independent Director is appointed, he/she is made familiar to the business and its operations and also about his role and duties through presentations/programmes by Chairman, Managing Director and Senior Management. Further, the Independent Directors are also presented with copies of magazines "The Wockhardian" and in-house newsletter of Wockhardt Group which provides the insights on the activities carried on by the Company.

The details of such Familiarisation Programme for Independent Directors are available on <http://www.wockhardt.com/files/familiarisation-programme.pdf>

#### **(b) Board Meetings and Procedures**

During the year under review, 4 (Four) Board Meetings were held viz. on 6<sup>th</sup> May, 2016, 13<sup>th</sup> August, 2016, 10<sup>th</sup> November, 2016 and 24<sup>th</sup> January, 2017. The gap between two consecutive meetings was not more than one hundred and twenty days, thereby complying with the applicable statutory requirement.

The Board is regularly apprised and informed of important business-related information. The Board meeting dates are finalized in consultation with all the Directors well in advance. Further, the Agenda papers supported by comprehensive notes and relevant information, documents and presentations are circulated in advance to all the Board members which enable them to take informed decisions and discharge the functions effectively. The Agenda for the Board Meetings covers the minimum information to be placed before the Board of Directors as per Regulation 17(7) of the SEBI Listing Regulations read with Part A of Schedule II thereto to the extent these are relevant and applicable. A presentation is made by the Managing Director on operational performance of the Company at each of the Board meeting. The Board periodically reviews the items in the Agenda; and particularly reviews and approves the quarterly Financial Results, Annual Financial Statements, Annual Operating Plans and Budgets, CAPEX, etc.

The compliance reports pertaining to all laws applicable to the Company, Minutes of Board Meeting of unlisted subsidiaries of the Company and Minutes of Committee Meetings are also placed before the Board of the Company periodically.

Further, the directors are also provided with video-conferencing/ audio visual facilities to facilitate them to participate in the Board/ Committee Meetings.

The important decisions taken at Board and Committee meetings are communicated to the respective department heads for the implementation of the said decisions. An Action Taken Report for the decisions taken at the earlier Board Meetings are also placed before the Board of the Company.



### 3. BOARD COMMITTEES

The Company has constituted various Committees for the smooth functioning of the Board. The composition of all the Board Committees are in accordance with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, wherever applicable. The details of composition are also disclosed on the website of the Company [www.wockhardt.com](http://www.wockhardt.com).

Details of Board Committees and other related information are provided hereunder:

#### A) AUDIT COMMITTEE

##### (a) Composition and Meetings

As on 31<sup>st</sup> March, 2017, the Audit Committee comprises of 7 (Seven) Non-Executive Independent Directors. Further, consequent to the changes in Board of Directors referred in point (2) above, the constitution of Audit Committee also has undergone a change. Mr. Vinesh Kumar Jairath was inducted as a member of the Audit Committee w.e.f. 10<sup>th</sup> November, 2016.

During the year under review, the Audit Committee met 4 (Four) times on 6<sup>th</sup> May, 2016, 13<sup>th</sup> August, 2016, 10<sup>th</sup> November, 2016 and 24<sup>th</sup> January, 2017. The maximum gap between any two consecutive meetings was not more than one hundred and twenty days.

The details of composition of the Audit Committee and the particulars of attendance at its meetings are given below:

Name of the Director/Member	Designation	Category	Profession	No. of Meetings Attended
Mr. Shekhar Datta	Chairman	Non-Executive Independent	Business Professional	3
Mr. Aman Mehta	Member	Non-Executive Independent	Business Professional	4
Mr. Davinder Singh Brar	Member	Non-Executive Independent	Business Professional	4
Dr. Sanjaya Baru	Member	Non-Executive Independent	Economist	4
Ms. Tasneem Mehta	Member	Non-Executive Independent	Business Professional	4
Mr. Baldev Raj Arora	Member	Non-Executive Independent	Business Professional	4
Mr. Vinesh Kumar Jairath**	Member	Non-Executive Independent	Business Professional	1

\*\* Mr. Vinesh Kumar Jairath was inducted as member of the Audit Committee w.e.f. 10<sup>th</sup> November, 2016.

All the Members of the Audit Committee are financially literate and possesses accounting or related financial management expertise by virtue of their experience and background.

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 13<sup>th</sup> August, 2016.

Mr. Narendra Singh, Company Secretary acts as a Secretary to the Audit Committee.

The Statutory Auditors, Head of Internal Audit, Head of Finance and Executive Directors, upon invitation, attend the meetings. During the year 2016-17, they have attended majority of Audit Committee Meetings.

##### (b) Terms of reference

Pursuant to the SEBI Listing Regulations and Section 177 of the Companies Act, 2013, the role of the Audit Committee briefly covers as under:

##### Financial Reporting and other Financial Matters:

- Oversight of Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible;
- Reviewing with the management quarterly unaudited financial statements and annual audited financial statements & Auditors' Report thereon before submission to the Board for approval. Review of Annual Financial statements *inter alia* includes reviewing changes in Accounting Policies if any, major accounting entries involving estimates, significant adjustments made in financial statements, qualifications in draft Audit report, if any;
- Reviewing Management Discussion and Analysis of financial condition and results of operations;
- Scrutiny of inter-corporate loans & investments;
- Monitoring the performance of the unlisted subsidiaries by reviewing their financial statements including the investments made by them.



**Audit & Auditors, Internal Controls:**

- Recommending the appointment, remuneration and terms of appointment/ re-appointment, if required, replacement or removal of auditors, fixation of statutory audit fees and approval of payment for any other services rendered by the Statutory Auditors, as permitted;
- Recommending appointment and remuneration of Cost Auditors;
- Review and monitor the Auditor's independence and performance and effectiveness of audit process;
- Reviewing the adequacy of internal audit function and internal control systems including internal financial controls; and discussion with Internal Auditors of any significant findings and follow-up thereon;
- Reviewing significant audit findings from the statutory and internal audits.

**Other Matters**

- Approval of all Related Party Transactions;
- Evaluation of Internal Financial Controls and Risk Management Systems;
- Appointment of CFO;
- Reviewing the functioning of Whistle Blower Mechanism.

The Audit Committee has all the powers as specified in Regulation 18 of the SEBI Listing Regulations to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary and pursuant to Section 177 of the Companies Act, 2013.

**B) STAKEHOLDERS RELATIONSHIP COMMITTEE**

**(a) Composition and meetings**

Stakeholder Relationship Committee looks into mechanism of redressal of grievance of the shareholders / other security holders. The Committee also resolves and redresses the same on a quarterly basis.

As on 31<sup>st</sup> March, 2017, the Committee comprises of 7 (Seven) Non-Executive Independent Directors.

**Terms of reference:**

- Review of complaints relating to transfer of shares, transmission of shares, issue of duplicate share certificates, non-receipt of annual report, non-receipt of declared dividend and other shareholder related queries/ complaints;
- Review of status of requests i.e. processing of complaints within statutory timelines;
- Matters relating to approval of transfer and transmission of shares, issue of duplicate share certificates etc.;
- Oversee of performance of Registrar and Share Transfer Agent.

During the year under review, 4 (Four) meetings of the Stakeholders Relationship Committee were held viz. on 6<sup>th</sup> May, 2016, 13<sup>th</sup> August, 2016, 10<sup>th</sup> November, 2016 and 24<sup>th</sup> January, 2017.

The details of composition of Stakeholders Relationship Committee and the particulars of attendance of Committee Meetings are given below:

Name of the Director/Member	Designation	Category	Profession	No. of Meetings Attended
Mr. Shekhar Datta	Chairman	Non-Executive Independent	Business Professional	3
Mr. Aman Mehta	Member	Non-Executive Independent	Business Professional	4
Mr. Davinder Singh Brar	Member	Non-Executive Independent	Business Professional	4
Dr. Sanjaya Baru	Member	Non-Executive Independent	Economist	4
Ms. Tasneem Mehta	Member	Non-Executive Independent	Business Professional	4
Mr. Baldev Raj Arora	Member	Non-Executive Independent	Business Professional	4
Mr. Vinesh Kumar Jairath*	Member	Non-Executive Independent	Business Professional	1

\* Mr. Vinesh Kumar Jairath was inducted as member of the Committee w.e.f. 10<sup>th</sup> November, 2016.



#### (b) Compliance Officer

Mr. Narendra Singh, Company Secretary & Compliance Officer, is responsible for the compliance with the requirements of the Securities Laws and SEBI Listing Regulations.

#### (c) Shareholders Complaints and Redressal

The Registrar and Share Transfer Agent ('RTA') of the Company is Link Intime India Private Limited, who handles the investor grievances in coordination with the Compliance Officer of the Company.

The Company duly monitors the functioning of the RTA to ensure that the investor grievances are resolved expeditiously and to the satisfaction of the shareholders.

A statement providing the category wise details of the complaints received from the shareholders during the year ended 31<sup>st</sup> March, 2017 and the status for the same is as under:

Sl. No.	Nature of communication	Opening Balance	Received during the period	Replied/ Resolved	Pending
1	Non Receipt of Certificate(s) - Transfer	Nil	1	1	Nil
2	Non Receipt of Dividend Warrant/ Interest / Redemption Warrant	Nil	6	6	Nil
3	Non receipt of Certificates - Exchange	Nil	2	2	Nil
4	Non Receipt of Bonus Certificate(s)	Nil	1	1	Nil
	<b>TOTAL</b>	<b>Nil</b>	<b>10</b>	<b>10</b>	<b>Nil</b>

Apart from the above, there were 1177 letters/ queries relating to change of address, issue of duplicate share certificates, registration of ECS details, non-receipt of Annual Report and issue of fresh Demand drafts in lieu of unpaid dividend etc. received during the FY 2016-17 out of which 1175 letters were replied as of 31<sup>st</sup> March, 2017. The pending 2 requests were received in the end of March, 2017 and the same were resolved in the month of April, 2017.

As on 31<sup>st</sup> March, 2017, no complaints are outstanding. All queries/requests/ complaints have been resolved to the satisfaction of shareholders within the reasonable time.

The Company maintains continuous interaction with Link Intime India Private Limited, RTA and takes proactive steps and action for resolving complaints/ queries of the shareholders and takes necessary initiatives in solving critical issues.

Further, the shareholders can lodge their complaints on the SEBI Complaints Redressal System (SCORES) platform also, which is an online redressal system for investor grievances. The complaints received through the said platform have also been resolved promptly by the RTA/ Company.

### C) NOMINATION AND REMUNERATION COMMITTEE

#### a) Composition and Terms of reference

The composition of the Nomination and Remuneration Committee (NRC) is in accordance with the Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations.

The terms of reference of Nomination and Remuneration Committee, *inter-alia*, includes following:

- Identification of persons who are qualified to become directors and who may be appointed at Senior Management position in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- Recommendation for fixation and revision of remuneration packages of Managing Director and Executive Directors to the Board for review and approval;
- Formulation of criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of every Director and carry out performance evaluation of directors;
- Devising a policy on Board diversity;
- Extension or continuation of term of appointment of the independent Director, on the basis of the report of performance evaluation of the independent Directors.





## b) Meetings & Attendance

During the year under review, 2 (two) meetings of the Nomination & Remuneration Committee were held on 6<sup>th</sup> May 2016 & 10<sup>th</sup> November 2016 which was attended by all the Committee Members.

As on 31<sup>st</sup> March, 2017, the composition of NRC is given below:

Name of the Director / Member	Designation	Category	Profession
Mr. Shekhar Datta	Chairman	Non-Executive Independent	Business Professional
Dr. H. F. Khorakiwala	Member	Executive (Chairman)	Business Professional
Dr. Sanjaya Baru	Member	Non-Executive Independent	Economist

## c) Remuneration Policy

The Company's Remuneration Policy is structured in line with the trend in the Indian Pharmaceutical Industry. In pursuance of the Company's policy to consider human resources as its invaluable assets and in terms of the provisions of the Companies Act, 2013 & the SEBI Listing Regulations, Policy on Nomination and Remuneration of Directors, Key Managerial Personnel ('KMP') & Senior Management Personnel and employees was formulated to pay equitable remuneration and to harmonize the aspirations of human resources consistent with the goals of the Company.

The Policy ensures that:

- the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the Company successfully.
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to Directors, KMP & Senior Management Personnel involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to working of the Company and its goals.

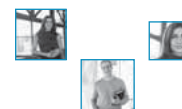
The Remuneration Policy of the Company is divided into 3 parts:

- Matters to be dealt with, perused and recommended to the Board by the NRC.
- Policy for appointment and removal of Directors, KMP and Senior Management Personnel.
- Policy for remuneration of Directors, KMP, Senior Management Personnel & other employees.

The Remuneration Policy is available on the website of the Company and the weblink thereto is <http://www.wockhardt.com/pdfs/wl-remuneration-policy.pdf>

Brief extract from Remuneration Policy is as under:

- The NRC shall identify and ascertain the integrity, qualification, expertise, experience and independence of the person for appointment as Director and recommend to the Board his / her appointment. Similarly, for KMP and Senior Management position, the NRC shall consider integrity, qualification, expertise and experience of the person for concerned position and would recommend to the Board about the appointment.
- The remuneration of Executive Directors comprises of Basic Salary, Perquisites and Allowances. The remuneration of Executive Directors should be recommended to the Board by NRC after considering the qualifications, experience, comparative remuneration packages of peers, Company's position, etc. Pursuant to the provisions of the Companies Act, 2013, the said remuneration has to be subsequently approved by the Shareholders of the Company and approval of Central Government, if any, needs to be obtained.
- The remuneration to Non-Executive Directors comprises of sitting fees and commission, if any. Apart from above, Non-Executive Directors shall also be entitled to reimbursement of expenses incurred by them in connection with attending the Board Meetings, Committee Meetings, General Meetings and any other matter in relation to the business of the Company towards hotel accommodation, travelling and other out-of-pocket expenses. The quantum of sitting fees to be paid to Non-executive Directors and meetings for which the same needs to be paid shall be determined by the Board. The quantum of sitting fees shall be in accordance with the provisions of Companies Act in force, from time to time. The payment of commission should be made in accordance with the provisions of Companies Act, as amended from time to time, and shall depend upon performance of the Company and profitability.
- The remuneration structure for KMP, Senior Management and other employees comprises of fixed pay (salary & perquisites) and variable pay (performance linked incentives.)



The Board ensures for orderly succession of Directors/Senior Management. The criteria for determining Qualifications, Positive Attributes and Independence of a director are as under:

**Qualifications:** A nomination process is in place that encourages diversity of thought, experience, knowledge, age and gender etc. It is also ensured that the Board has an appropriate blend of functional and industry expertise.

**Positive Attributes:** The Directors on the Board are expected to demonstrate high standards of ethical behavior, interpersonal skills and soundness of judgment. Independent Directors are also expected to abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Companies Act, 2013.

**Independence:** A director is considered as an 'Independent Director' if he/she meets with criteria for 'Independent Director' as laid down in the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations.

#### d) Performance Evaluation Criteria

The NRC lays down the criteria for performance evaluation of directors. In accordance with the provisions of the SEBI Listing Regulations and the Companies Act, 2013, the performance evaluation of the individual Directors shall be done by the entire Board of Directors, subject to the condition that the Director who is subject to evaluation should not participate. The criteria for performance evaluation covers parameters such as decision taken in the interest of the organization objectively, assisting the Company in implementing the Corporate Governance, monitoring performance of organization based on agreed goals and financial performance and active participation in the affairs of the Company as Board/Committee Members.

#### e) Remuneration of Directors

The remuneration of the Executive Directors is decided by the Board based on the recommendations of the NRC as per the Remuneration Policy of the Company, within the limits fixed and approved by the shareholders at the general meeting. The remuneration of the Non-Executive Directors comprises of sitting fees and commission, if any. The Non - Executive Independent Directors are paid sitting fees of ₹ 100,000 for each meeting of the Board, Audit Committee and Stakeholders Relationship Committee attended by them and reimbursement of expenses towards attending the meetings.

The remuneration paid/payable to each Director for the financial year ended 31<sup>st</sup> March, 2017 is as under:

Name of Director	Tenure upto	No. of equity shares held by Directors as on 31 <sup>st</sup> March, 2017	Remuneration for the financial year ended 31 <sup>st</sup> March, 2017 (₹ in crore)			
			Sitting fees	Salary	Perquisites	Total
Dr. H. F. Khorakiwala	29 <sup>th</sup> February, 2020	4,42,785	N.A.	1.32	-	1.32
Mr. Shekhar Datta	31 <sup>st</sup> March, 2019	4,100	0.09	N.A.	N.A.	0.09
Mr. Aman Mehta		2,500	0.12	N.A.	N.A.	0.12
Mr. Davinder Singh Brar		500	0.12	N.A.	N.A.	0.12
Dr. Sanjaya Baru		500	0.12	N.A.	N.A.	0.12
Ms. Tasneem Mehta	29 <sup>th</sup> September, 2019	Nil	0.12	N.A.	N.A.	0.12
Mr. Baldev Raj Arora	27 <sup>th</sup> May, 2020	Nil	0.12	N.A.	N.A.	0.12
Mr. Vinesh Kumar Jairath*	9 <sup>th</sup> November, 2021	Nil	0.04	N.A.	N.A.	0.04
Dr. Huzaifa Khorakiwala	30 <sup>th</sup> March, 2019	2,16,000	N.A.	1.32	-	1.32
Dr. Murtaza Khorakiwala	30 <sup>th</sup> March, 2019	2,26,200	N.A.	1.32	-	1.32

\* Mr. Vinesh Kumar Jairath was appointed as an Additional Director categorised as Non-Executive Independent Director of the Company for a term of 5 years w.e.f. 10<sup>th</sup> November, 2016.

#### Notes:

1. No commission has been paid to Executive and Non-Executive Directors during the year ended 31<sup>st</sup> March, 2017.
2. There is no provision for payment of severance fees and no performance linked incentives are paid to any Director. The notice period of Executive Directors are governed by service rules of the Company.
3. None of the directors hold any stock options in the Company.



4. The Non-Executive Directors on the Company's Board, apart from receiving sitting fees do not have any other pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries or associate companies. The criteria of making payments to the non-executive directors is provided in the Boards' report. The details of remuneration paid to Whole-time Directors have been disclosed under the heading 'Related Party Disclosures' of Notes to Financial Statement.
5. None of the Directors holds any convertible instruments in the Company.

The other details about Independent Directors, Remuneration Policy, Performance Evaluation criteria and Remuneration of Directors have also been provided in the Board's Report forming part of this Annual Report.

#### **D) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

As on 31<sup>st</sup> March, 2017, the Corporate Social Responsibility (CSR) Committee comprises of Dr. H. F. Khorakiwala as its Chairman; Mr. Aman Mehta, Independent Director, Mr. D. S. Brar, Independent Director and Dr. Huzaifa Khorakiwala, Executive Director as members of the Committee.

During the year 2016-17, 1 (one) meeting of CSR Committee was held on 6<sup>th</sup> May, 2016 and the same was attended by all the Committee members except Dr. Huzaifa Khorakiwala, to whom leave of absence was granted.

The terms of reference of CSR committee, *inter alia*, includes to:

- formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in compliance with the provisions of the Companies Act, 2013;
- recommend the amount of expenditure to be incurred on the CSR activities;
- provide guidance on various CSR activities to be undertaken by the Company;
- monitor the implementation of the CSR Policy of the Company from time to time;
- carry out any such function as mandated by the Board and/or enforced by way of any statutory amendments as may be necessary for effective performance of its duties.

The report on CSR is provided in Boards' Report which forms part of this Annual Report.

#### **E) OTHER COMMITTEES OF THE BOARD**

Apart from the Committees being required mandatorily, the Board has also formulated certain Committees and has delegated some specific powers to such Committees. Each Committee has its distinct role, scope and powers. The Minutes of these Committee meetings are also periodically placed before the Board for noting.

The Board has constituted following three Committees:

- Credit Facilities Committee
- Share Allotment Committee
- ESOS Compensation Committee

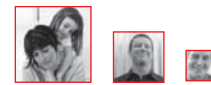
##### **CREDIT FACILITIES COMMITTEE**

The Board has constituted a Credit Facilities Committee and as on 31<sup>st</sup> March, 2017, the Committee comprises of three Executive Directors viz. Dr. H. F. Khorakiwala – Chairman; Dr. Huzaifa Khorakiwala – Executive Director and Dr. Murtaza Khorakiwala – Managing Director as its members.

The terms of reference, *inter alia*, includes to:

- exercise all such powers to borrow money within the limits approved by the Board;
- avail, renew, enhance, restructure and reschedule all fund based and non-fund based credit facilities including term loans and working capital facilities availed from banks/financial institutions/bodies corporate;
- delegate authorities from time to time to the executives/ authorized persons to implement the decisions of the Committee;
- carry out any such function as mandated by the Board and/or enforced by way of any statutory amendments as may be necessary for effective performance of its duties.

During the year under review, 4 (Four) meetings of the Credit Facilities Committee were held viz. on 22<sup>nd</sup> April, 2016, 18<sup>th</sup> July, 2016, 6<sup>th</sup> February, 2017 and 30<sup>th</sup> March, 2017 which have been attended by all the Members of the Committee.



### SHARE ALLOTMENT COMMITTEE

The Board has constituted Share Allotment Committee and as on 31<sup>st</sup> March, 2017, the Committee comprises of three Executive Directors viz. Dr. H. F. Khorakiwala – Chairman; Dr. Huzaifa Khorakiwala – Executive Director and Dr. Murtaza Khorakiwala – Managing Director as its members.

During the year under review, 1 (one) meeting of the Share Allotment Committee was held on 28<sup>th</sup> July, 2016 which was attended by all the Members except Dr. Murtaza Khorakiwala, to whom leave of absence was granted.

The terms of reference, *inter alia*, includes to:

- allot preference shares;
- redeem said preference shares/ debentures;
- allot equity shares pursuant to exercise of stock options;
- carry out any such function as mandated by the Board and/or enforced by way of any statutory amendments as may be necessary for effective performance of its duties.

### ESOS COMPENSATION COMMITTEE

As per SEBI (Share Based Employee Benefits) Regulations, 2014, the ESOS Compensation Committee constituted by the Board is in place.

As on 31<sup>st</sup> March, 2017, ESOS Compensation Committee comprises of Dr. Sanjaya Baru, Chairman (Non-Executive Independent), Dr. H. F. Khorakiwala (Executive) and Ms. Tasneem Mehta (Non-Executive Independent) as its Members.

The key role of ESOS Compensation Committee consists of administration and monitoring the implementation of Wockhardt Employees' Stock Option Scheme-2011 ('the Scheme') of the Company. Further, the Committee is also vested with such functions and powers, enumerated as under:

- determination of the employees eligible for participation in the Scheme;
- number of options that may be granted to the employees;
- determination of vesting period, exercise period of the options issued under the Scheme;
- other incidental matters pertaining to the Scheme of the Company.

During the year under review, one meeting of ESOS Compensation Committee was held on 6<sup>th</sup> May, 2016 which have been attended by all the Members of the Committee.

## 4. GENERAL BODY MEETINGS

### a) Details of last three Annual General Meetings are as under:

The Annual General Meeting ('AGM') for the year ended 31<sup>st</sup> March, 2016 was held at The Benchmark, Nakshatrawadi, Aurangabad.

The day, date, time and location of the Annual General Meetings held during the last three years, and the special resolution(s) passed thereat, are as follows:

Financial Year ended	Day and Date	Time	Location	Special Resolution(s) Passed
31 <sup>st</sup> March, 2016	Saturday, 13 <sup>th</sup> August, 2016	12.00 noon	The Benchmark, Nakshatrawadi, Paithan Road, Aurangabad - 431 005	1) Approval for issuance of Non-Convertible Debentures ('NCDs') upto ₹ 1200 crore on private placement basis. 2) Approval to deliver document through a particular mode as may be sought by the member. The resolutions were passed by E-voting and Poll.
31 <sup>st</sup> March, 2015	Saturday, 12 <sup>th</sup> September, 2015	10.00 a.m.	The Benchmark, Nakshatrawadi, Paithan Road, Aurangabad - 431 005	Adoption of new set of Articles of Association of the Company pursuant to the provision of the Companies Act, 2013. The resolution was passed by E-voting and Poll.



Financial Year ended	Day and Date	Time	Location	Special Resolution(s) Passed
31 <sup>st</sup> March, 2014	Monday, 15 <sup>th</sup> September, 2014	3.00 p.m.	Y.B.Chavan Auditorium, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai - 400 021	1) Fixation of remuneration of Dr. H. F. Khorakiwala, Chairman. 2) Re-appointment of Dr. Huzaifa Khorakiwala as an Executive Director and Fixation of Remuneration. 3) Re-appointment of Dr. Murtaza Khorakiwala as Managing Director and Fixation of Remuneration. 4) To re-confirm authority to the Board to approve borrowings upto ₹ 3,000 crore. 5) To approve creation of charge on assets of the Company in respect of borrowings. 6) Approval of material related party transactions with Wockhardt Bio AG, subsidiary of the Company. The resolutions were passed by E-voting and Poll.

**b) Postal Ballot:**

During the year ended 31<sup>st</sup> March, 2017, following three special resolutions were passed through postal ballot:

- 1) Resolution No. 1: Revision in remuneration of Dr. H. F. Khorakiwala, Executive Chairman
- 2) Resolution No. 2: Revision in remuneration of Dr. Huzaifa Khorakiwala, Executive Director
- 3) Resolution No. 3: Revision in remuneration of Dr. Murtaza Khorakiwala, Managing Director

Pursuant to Section 110, 108 of the Companies Act, 2013 including rules made thereunder and Regulation 44 of the SEBI Listing Regulation, the aforesaid postal ballot was conducted in physical & e-voting mode. Mr. Virendra Bhatt, Practicing Company Secretary (ACS No. 1157, CP No. 124) was appointed as Scrutinizer for conducting postal ballot in a fair and transparent manner. Based on Scrutinizer's Report, the result of postal ballot was declared on 13<sup>th</sup> January, 2017. The result of postal ballot along with Scrutinizer's Report is available on the website of the Company and Stock Exchanges. The brief voting pattern is provided below:

Resolution No. 1: Assent – 96.94%; Dissent – 3.06%

Resolution No. 2: Assent – 96.93%; Dissent – 3.07%

Resolution No. 3: Assent – 96.93%; Dissent – 3.07%

- 4) Pursuant to the above resolutions, the total remuneration (Salary plus perquisites) shall not exceed ₹ 2.80 crore p.a. for Dr. H. F. Khorakiwala w.e.f. 1<sup>st</sup> April, 2017; and ₹ 2.40 crore p.a. to each of Dr. Huzaifa Khorakiwala and Dr. Murtaza Khorakiwala w.e.f. 31<sup>st</sup> March, 2017.

The Board of Directors, at its meeting held on 4<sup>th</sup> May, 2017, has accorded approval to issue postal ballot notice for raising of additional capital by way of one or more public or private offerings including through a Qualified Institutions Placement ('QIP') to eligible investors through an issuance of equity shares or other eligible securities for an amount not exceeding ₹ 1,000 crores, which is proposed to be passed as special resolution. Apart from this, no other special resolution is proposed to be passed through postal ballot as on the date of this report.

None of the businesses proposed to be transacted at the ensuing AGM requires passing of resolution through Postal Ballot.

**5. DISCLOSURES**

**a. Related Party Transactions**

All the transactions entered into by the Company with related parties as defined in the Companies Act, 2013 and Regulation 23 of the SEBI Listing Regulations, during the year under review were in the ordinary course of business and on arm's length basis. During the year under review, there were no materially significant related party transactions that may have potential conflict with the interests of the Company at large. All the related party transactions were approved by the Audit Committee and the Board. The transactions with Wockhardt Bio AG, subsidiary Company, being a material transaction as per the threshold prescribed in SEBI Listing Regulations have been approved by the Members of the Company at the Annual General Meeting held on 15<sup>th</sup> September, 2014. Transactions with related parties are disclosed in the Notes to Financial Statements and details of all material transaction(s), if any, with related parties are disclosed quarterly in the Compliance Report on Corporate Governance filed with the Stock Exchanges.



The Policy on 'Materiality of and Dealing with Related Party Transactions' is uploaded on the website of the Company and weblink thereto is <http://www.wockhardt.com/files/policy-on-materiality-of-and-dealing-with-related-party-transactions.pdf>

The details about Related Party Transactions have also been provided in the Board's Report forming part of this Annual Report.

**b. Compliance**

Your Company has complied with the requirements of the Stock Exchanges, SEBI and other Statutory Authority on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority relating to the above.

**c. Code of Conduct**

Your Company has laid down a "Code of Business Conduct and Ethics" for the Directors and the Senior Management Personnel. The Code includes the terms of reference, role and duties of Independent Directors as laid down in Schedule IV of Companies Act, 2013. The said Code is available on the website of the Company [www.wockhardt.com](http://www.wockhardt.com).

All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31<sup>st</sup> March, 2017. A declaration to this effect signed by Dr. Murtaza Khorakiwala, Managing Director forms part of this Report.

**d. Whistle Blower Policy / Vigil Mechanism**

In line with Regulation 22 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013, Vigil Mechanism/ Whistle Blower Policy has been formulated for Directors and the Employees (including their representative bodies) to communicate and report genuine concerns about unethical behavior or practices, actual or suspected fraud or violation of Company's Code of Conduct etc. The said Policy provides adequate safeguard against victimization of Directors/Employees who avail such mechanism and it also provides direct access to the Chairman of Audit Committee in exceptional cases. Further, it is affirmed that no personnel has been denied access to the Audit Committee. The Whistle Blower Policy has been placed on website of the Company [www.wockhardt.com](http://www.wockhardt.com).

**e. Disclosure of Accounting Treatment**

The Company has prepared the financial statements for the year in compliance with the Indian Accounting Standards ('Ind AS') notified by the Ministry of Corporate Affairs. The significant accounting policies applied in preparation of the financial statements as per Ind AS have been set out in the Notes to Financial statements.

**f. CEO/CFO Certification**

In terms of requirements of Regulation 17(8) of the Listing Regulations read with Part B of Schedule II thereunder, Dr. Murtaza Khorakiwala, Managing Director and Mr. Manas Datta, Chief Financial Officer have furnished certificate to the Board in the prescribed format for the year ended 31<sup>st</sup> March, 2017. The certificate has been reviewed by the Audit Committee and taken on record by the Board at the meeting held on 4<sup>th</sup> May, 2017.

**g. Risk Management**

Your Company has laid down the procedure for risk assessment and their mitigation and formulated a Risk Committee, comprising of Managing Director, Chief Financial Officer, Internal Audit Head and some Key Business Heads. The specific objective of the Risk Committee is to ensure that the Company attains a status of minimal risk by means of proactive identification of internal and external risks, through identification of critical and medium risks and designing mitigating measures around them.

Accordingly, a two-pronged approach is followed. A routine risk review exercise is undertaken on a half yearly basis by the Head of Internal Audit. This involves re-assessment of risk profile of all functions with concerned Business Heads through interactive sessions. A follow-up for status of the proposed mitigation plan for risks previously reported is also conducted. Additionally, risk review is also conducted in the interim if there are significant business events leading to process restructuring. Key risks and related de-risking plans are assessed within the Risk Committee. Members of the Board and the Audit Committee are periodically informed on the material risks faced by the Company. The Company did not have any commodity price risk. However, the hedging activity in respect of foreign exchange carried out by the Company during the year, is as per the Board approved Forex Risk Management Policy.

The other details about Risk Management have also been provided in the Board's Report forming part of this Annual Report.





**h. Material Subsidiaries**

The Company does not have any material subsidiary, which is incorporated in India, as per the criteria specified under SEBI Listing Regulations.

The Policy for determining material subsidiaries is uploaded on website of the Company and can be accessed through weblink <http://www.wockhardt.com/files/policy-on-material-subsidiaries-17-12-2515.pdf>

As the Company has no unlisted material subsidiary incorporated in India, there is no need to nominate an Independent Director of the Company on the Board of such subsidiary.

The Audit Committee reviews the financial statement, in particular, the investments made by unlisted subsidiary.

**i. Compliance with mandatory and non-mandatory requirements**

The Company has complied with all the mandatory requirements of the SEBI Listing Regulations relating to corporate governance.

The Company has also adopted the following non-mandatory requirements under Regulation 27(1) of the SEBI Listing Regulations read with Part E of Schedule II thereto:

- Shareholder Rights - Chairman's Letter which includes details of financial performance and summary of significant events is sent to each shareholder on quarterly basis. The said letter is also available on the website of the Company [www.wockhardt.com](http://www.wockhardt.com)
- Separate posts of Chairman and Managing Director – Dr. H.F Khorakiwala is the Chairman and Dr. Murtaza Khorakiwala is the Managing Director of the Company.
- Modified Opinion in Audit Report – The Statutory Auditors of the Company have not raised any qualifications/modified opinion on the Financial Statements of the years 2014-15, 2015-16 and 2016-17 thereby moving towards regime of unqualified/unmodified Financial Statements.

**j. Prohibition of Insider Trading**

The Company has in place 'Wockhardt Limited – Code of Conduct for Regulating, Monitoring and Reporting Trading by Designated Persons' approved by the Board. This code is made applicable to cover Promoters, Directors, Functional Heads and such other designated employees of the Company ('Designated Persons') who are expected to have access to unpublished price sensitive information related to the Company. The designated persons are also restricted from entering the opposite transaction i.e. buy or sell any number of shares during the next six months following the prior transaction ('contra trade'). Pursuant to Clause 10 of the Company's Code of Conduct for Regulating, Monitoring and Reporting Trading by Designated Persons ('the Code'), every Designated Person is required to disclose to the Company on an annual basis, the details of securities of the Company held by him and his immediate relatives as on 31<sup>st</sup> March every year in a format that is available on the intranet of the Company. The Company also circulates the Don'ts and Do's required to be observed under the Code/SEBI Regulations by the Designated Persons periodically for reference.

**k. Other SEBI Listing Regulations**

The Company has complied with all the applicable provisions of the SEBI Listing Regulations in relation to corporate governance requirements. The disclosures of all the compliances pursuant to said Regulations is made elsewhere in this Report.

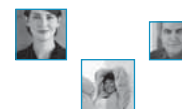
**l. Policies**

Regulation 9 of the SEBI Listing Regulations provides that Listed Company shall have a policy for preservation of documents, approved by its Board of Directors, classifying them in at least 2 categories:

- Documents whose preservation shall be permanent in nature
- Documents with preservation period of not less than 8 years after completion of relevant transactions.

Further, pursuant to Regulation 30 of SEBI Listing Regulations, policy is framed by the Board of Directors for disclosure of events or information on the basis of materiality. The Policy for determining materiality of events is uploaded on the website of the Company [www.wockhardt.com](http://www.wockhardt.com). Other Policies as mandated by the SEBI Listing Regulations and to be disclosed on the website are also in place.





## 6. MEANS OF COMMUNICATION

- **Website:** The Company's website [www.wockhardt.com](http://www.wockhardt.com) contains the information pertaining to the Company that it is in compliance with the SEBI Listing Regulations. Further, FAQs and Forms, Live Share price, Dividend & Split History, 10 years financial summary have been made available to the investors for easy access to the details. A separate section for Investors is available wherein the updated information pertaining to quarterly, half-yearly and annual financial results, official press releases, the investor/analysts presentations, if any, shareholding pattern is available in a user friendly and downloadable form.

W.e.f. 1<sup>st</sup> December, 2015, the Company's website contains all the communications made to the Stock Exchanges from time to time.

- **Financial Results:** The quarterly, half yearly and annual financial results of the Company are submitted to the BSE Limited and National Stock Exchange of India Limited immediately after approval of the Board. The results of the Company are published in one English daily newspaper i.e. Business Standard / Free Press Journal (English Language) & and one Marathi newspaper i.e. Lokmat / Navshakti (Vernacular Language) within 48 hours of approval thereof and are also posted on Company's website [www.wockhardt.com](http://www.wockhardt.com)
- **Annual Report:** Annual Report containing, inter-alia, the Audited Standalone and Consolidated Financial Statements, Board's Report, Auditors' Report, Corporate Governance Report, Business Responsibility Report, Management's Discussion and Analysis (MD&A) is circulated to members and others entitled thereto. The same is also available on the website of the Company [www.wockhardt.com](http://www.wockhardt.com)
- **Reminders to Shareholders:** The Company sends reminders periodically to all those Shareholders who have not encashed their dividend declared by the Company in the earlier years.
- **Chairman's Communication/ Letter:** The Chairman's speech is distributed to the shareholders at the AGM. The same is also placed on the website of the Company. Further, the quarterly results are sent to the members of the Company by way of Chairman's letter.
- **Exclusively Designated Email ID:** The Company has designated Email Id [investorrelations@wockhardt.com](mailto:investorrelations@wockhardt.com) exclusively for shareholders /investor servicing.
- **Uploading on NSE Electronic Application Processing System (NEAPS) and BSE Corporate Compliance & Listing Centre (BSE Listing Centre):** The quarterly results, quarterly/periodic compliances and all other corporate communications to the stock exchanges are filed electronically on NEAPS for NSE and on BSE Listing Center for BSE.
- **SEBI Complaints Redressal System (SCORES):** SCORES is an online facility, where investors can submit their complaints for redressal by the RTA/ Company.

## 7. CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

The Certificate from Mr. Virendra Bhatt, Practicing Company Secretary, regarding compliance of conditions of corporate governance for the financial year ended March 31, 2017 forms part of this report.

## 8. GENERAL SHAREHOLDER INFORMATION

### 18<sup>TH</sup> ANNUAL GENERAL MEETING ('AGM')

The 18<sup>th</sup> AGM of the Company will be held on Wednesday, 2<sup>nd</sup> August, 2017 at 12.00 noon at The Benchmark, Nakshatrawadi, Paithan Road, Aurangabad- 431 005.

### FINANCIAL YEAR AND TENTATIVE FINANCIAL CALENDAR

Financial Year – 1<sup>st</sup> April to 31<sup>st</sup> March

Tentative Schedule for declaration of financial results during the financial year 2017-18 and next AGM is as under:

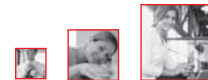
Results of Quarter ending 30 <sup>th</sup> June, 2017	On or before 14 <sup>th</sup> August, 2017
Results of Quarter ending 30 <sup>th</sup> September, 2017	On or before 14 <sup>th</sup> November, 2017
Results of Quarter ending 31 <sup>st</sup> December, 2017	On or before 14 <sup>th</sup> February, 2018
Results for financial year ending 31 <sup>st</sup> March, 2018	On or before 30 <sup>th</sup> May, 2018
AGM for the year ending 31 <sup>st</sup> March, 2018	On or before 30 <sup>th</sup> September, 2018

### BOOK CLOSURE DATE

26<sup>th</sup> July, 2017 to 2<sup>nd</sup> August, 2017 (both days inclusive)

### DIVIDEND PAYMENT DATE

The dividend on preference shares, if declared at the ensuing AGM, will be paid to the preference shareholders within 15 days from the date of AGM.



**LISTING ON STOCK EXCHANGES**

(A) Equity Shares	BSE Limited (BSE)	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001
	National Stock Exchange of India Limited (NSE)	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051
(B) Global Depository Receipts (GDRs)	Luxembourg Stock Exchange	35A Boulevard Joseph II, L-1840 Luxembourg

The Company has paid the annual listing fees for the year 2017-18 to Stock Exchanges.

**STOCK CODES**

**(a) Stock code**

BSE Limited (BSE) : 532300  
 National Stock Exchange of India Limited (NSE) : WOCKPHARMA

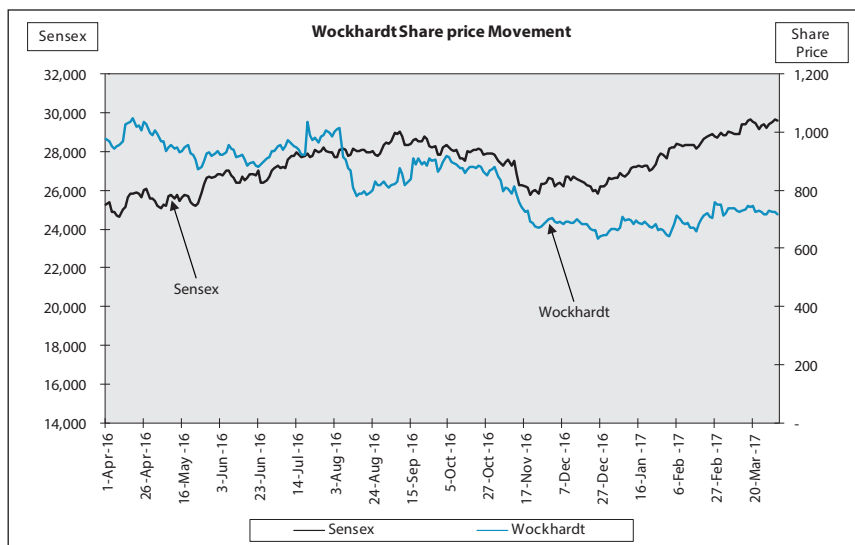
**(b) Corporate Identity Number (CIN)** : L24230MH1999PLC120720

**MARKET PRICE DATA: High/Low and number of shares traded during each month in the financial year 2016-17 on NSE and BSE**

Month	NSE			BSE		
	High (₹)	Low (₹)	Monthly Volume	High (₹)	Low (₹)	Monthly Volume
April - 2016	1,069.00	930.15	18,345,161	1,068.70	931.00	3,103,914
May - 2016	1,026.95	858.65	17,938,289	1,026.50	859.55	3,389,867
June - 2016	963.45	822.00	13,542,250	964.00	825.00	2,740,058
July - 2016	1,129.05	911.00	28,683,160	1,129.00	911.05	4,845,179
August - 2016	1,037.00	766.00	34,814,496	1,036.40	766.50	6,854,955
September - 2016	958.95	802.00	45,134,436	945.00	802.50	9,225,536
October - 2016	937.00	850.10	15,578,767	936.95	850.50	3,480,901
November - 2016	892.50	657.00	20,751,108	891.70	659.00	5,195,362
December - 2016	722.50	627.20	16,747,080	722.90	627.00	3,812,160
January - 2017	727.90	640.65	21,273,239	728.00	640.00	3,526,697
February - 2017	773.50	634.25	30,317,664	773.40	634.55	5,594,920
March - 2017	770.00	701.00	31,478,017	770.10	701.00	16,495,276

Source: website of BSE and NSE

**STOCK PRICE PERFORMANCE INDEX IN COMPARISON WITH BSE SENSEX FOR THE FINANCIAL YEAR 2016-17**



Source: website of BSE and NSE



## 9. REGISTRAR & TRANSFER AGENTS

### Link Intime India Private Limited

C-101, 247 Park,  
Lal Bahadur Shastri Marg,  
Vikhroli (West),  
Mumbai 400 083, India  
Telephone : +91 22 4918 6270  
Email : wockhardt@linkintime.co.in  
Website : www.linkintime.co.in

## 10. SHARE TRANSFER SYSTEM

In order to expedite the process of share transfers, the Board has delegated the powers severally to the Chairman, Managing Director, Company Secretary and Registrar & Transfer Agents (RTA). Share transfers in physical form are processed by RTA and the share certificates are generally returned to the transferees within a period of fifteen days from the date of receipt of transfer documents provided that the transfer documents are complete in all respects. Requests for dematerialization of shares are processed and the confirmation is given to depositories within 15 days from the date of receipt if the documents are in order.

The Company has complied with the requirements of Regulation 40 read with Schedule VII of the SEBI Listing Regulations with respect to all formalities of transfer or transmission of shares.

Your Company obtains a half-yearly Compliance Certificate from a Company Secretary in Practice as required under Regulation 40(9) of the SEBI Listing Regulations and files a copy of the said Certificate with the Stock Exchanges.

Pursuant to Regulation 7(3) of the SEBI Listing Regulations, Compliance Certificate, duly signed by the Compliance Officer and the authorized representative of the Company's RTA viz. Link Intime India Private Limited confirming that all activities in relation to both physical and electronic share transfer facility are being maintained by the RTA for the half year ended 30<sup>th</sup> September 2016 & 31<sup>st</sup> March 2017 has been duly submitted to the Stock Exchanges.

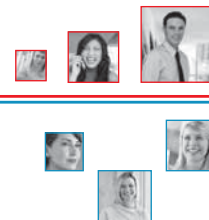
## 11. DEMATERIALISATION OF SHARES AND LIQUIDITY

The Company's equity shares are compulsorily traded in electronic form and are available for trading with both the Depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31<sup>st</sup> March, 2017, 109,609,036 Equity Shares representing 99.15% of the Company's total paid-up Equity Share Capital were held in dematerialized mode. Out of Public Shareholding of 28,428,426 Equity Shares, 27,505,034 Equity Shares representing 96.75% of the Public Shareholding is in dematerialized mode.

The International Securities Identification Number (ISIN) assigned to Company's Equity Shares is **INE049B01025**.

## 12. DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2017

Number of Equity Shares	No. of Shareholders	% of total Shareholders	Amount in ₹	% of total Amount
1 – 500	117,373	94.35	41,036,690	7.42
501 – 1000	4,802	3.86	16,493,105	2.98
1001 – 2000	1,202	0.97	8,709,115	1.58
2001 – 3000	375	0.30	4,768,180	0.86
3001 – 4000	162	0.13	2,911,525	0.53
4001 – 5000	97	0.08	2,231,670	0.40
5001 – 10000	173	0.14	6,220,470	1.13
Above 10000	214	0.17	470,369,385	85.10
<b>TOTAL</b>	<b>124,398</b>	<b>100.00</b>	<b>552,740,140</b>	<b>100.00</b>



### 13. SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH, 2017

Categories	Number of Equity Shares	Amount in ₹	% to total paid-up capital
<b>A) Promoters &amp; Promoter Group</b>	<b>81,985,382</b>	<b>409,926,910</b>	<b>74.16</b>
<b>B) Public shareholding</b>	<b>28,428,426</b>	<b>142,142,130</b>	<b>25.72</b>
<b>C) Non-Promoter - Non Public</b>	<b>134,220</b>	<b>671,100</b>	<b>0.12</b>
C1) Shares Underlying DRs	134,220	671,100	0.12
C2) Shares held by Employee Trust	-	-	-
<b>TOTAL(A+B+C)</b>	<b>110,548,028</b>	<b>552,740,140</b>	<b>100.00</b>

**Note:** The Company has issued 121,454,927 Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) of ₹ 5 each; and 475,659,941 Non-Convertible Cumulative Redeemable Preference Shares (NCCRPS) of ₹ 5 each. These OCCRPS and NCCRPS are not listed on the Stock Exchanges.

Further, during the year, paid up Equity Share Capital of the Company has been increased by ₹ 195,625 due to allotment of 39,125 equity shares of ₹ 5 each pursuant to exercise of stock options.

### 14. UNCLAIMED DIVIDENDS

The Company is required to transfer dividend which have remained unpaid / unclaimed for a period of seven years to the Investor Education and Protection Fund ('IEPF') established by the Central Government. All the dividend declared during the year ended 31<sup>st</sup> December, 2008 were transferred to IEPF Account. No dividend was due to be transferred to IEPF account during the year and as on date. Hence, there were no shares due for transfer (as on date) to IEPF Account in accordance with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 dated 5<sup>th</sup> September 2016, as amended.

The details of Unpaid Dividend and their due dates for transfer to the IEPF are given below:

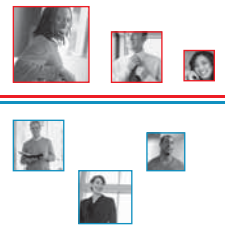
Financial Year	Type of Dividend	Date of Declaration	Due date of transfer to IEPF
2012-13	Final	2 <sup>nd</sup> September, 2013	7 <sup>th</sup> October, 2020
2013-14	1 <sup>st</sup> Interim	25 <sup>th</sup> October, 2013	29 <sup>th</sup> November, 2020
2013-14	2 <sup>nd</sup> Interim	9 <sup>th</sup> February, 2014	16 <sup>th</sup> March, 2021
2014-15	Interim	3 <sup>rd</sup> November, 2014	8 <sup>th</sup> December, 2021
2016-17	Interim	10 <sup>th</sup> November, 2016	16 <sup>th</sup> December, 2023

Members who have not encashed dividend, as detailed above, are requested to have them revalidated and encashed to avoid transfer to IEPF.

### 15. OUTSTANDING GDRs/ADRs/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

Number of outstanding Global Depository Receipts (GDRs) as on 31<sup>st</sup> March, 2017 are 134,220 representing 134,220 equity shares of ₹ 5 each constituting 0.12% of paid-up Equity Capital of the Company. There will be no impact of conversion of GDRs as the Company has allotted the underlying GDRs.

As on 31<sup>st</sup> March, 2017, 121,454,927 Optionally Convertible Cumulative Redeemable Preference Shares ('OCCRPS Series-2') allotted earlier pursuant to the approved CDR package are outstanding. The OCCRPS Series-2 Preference Shareholders have the right to convert the OCCRPS Series-2, along with accumulated dividend, into fully paid Equity Shares of the Company, in one or more tranches, commencing 4<sup>th</sup> July, 2016 till 31<sup>st</sup> December, 2018. The OCCRPS Series-2, in case not converted, shall get redeemed along with accumulated dividend on 31<sup>st</sup> December, 2018 without any redemption premium. The Relevant Date for conversion of OCCRPS is 4<sup>th</sup> June, 2016. However, none of the OCCRPS holders have exercised their option of conversion so far. Assuming, if all the OCCRPS holders exercises their right of conversion of OCCRPS into Equity Shares, the Promoter Group holding will be 73.87% of total equity share capital of the target company.



#### 16. EQUITY SHARE CAPITAL HISTORY OF THE COMPANY SINCE INCORPORATION UP TO 31ST MARCH, 2017

Date of allotment	No. of equity shares	Cumulative No. of Equity Shares	Face value (in ₹)	Consideration	Nature of allotment	Cumulative share capital (in ₹)
11.02.2000	35,061,652	35,061,652	10	Allotted to the shareholders of Wockhardt Life Sciences Ltd in the ratio of 1:1 i.e. one Equity Share of the Company for every one Equity Share of Wockhardt Life Sciences Ltd held by them	Pursuant to scheme of demerger of Wockhardt Life Sciences Limited and acquisition of pharmaceuticals division by the Company	350,616,520
22.04.2000	1,200,000	36,261,652	10	Allotted to the shareholders of Wockhardt Veterinary Limited in the ratio of 1:4 i.e. one Equity Share of the Company for every four Equity Shares of Wockhardt Veterinary Limited	Pursuant to amalgamation of Wockhardt Veterinary Limited with the Company	362,616,520
14.08.2002	3,600	36,265,252	10	Cash	Allotment of shares pursuant to exercise of stock options	362,652,520
07.01.2003	2,700	36,267,952	10	Cash		362,679,520
16.09.2003	16,700	36,284,652	10	Cash		362,846,520
14.10.2003	5,550	36,290,202	10	Cash		362,902,020
25.11.2003	1,700	36,291,902	10	Cash		362,919,020
31.12.2003	3,950	36,295,852	10	Cash		362,958,520
15.01.2004	15,350	36,311,202	10	Cash		363,112,020
23.02.2004	9,700	36,320,902	10	Cash		363,209,020
05.04.2004	9,450	36,330,352	10	Cash		363,303,520
24.04.2004	1,650	36,332,002	10	Cash		363,320,020
07.05.2004	-	72,664,004	5	Sub-division of 36,332,002 shares of Face Value ₹ 10 each to Face Value ₹ 5 each.	Sub-division of shares of Face Value ₹ 10 each to Face Value ₹ 5 each.	363,320,020
08.05.2004	36,332,002	108,996,006	5	Bonus shares	Allotment of bonus shares in the ratio of 1:2	544,980,030
21.01.2005	70,350	109,066,356	5	Cash	Allotment of shares pursuant to exercise of stock options	545,331,780
21.02.2005	29,550	109,095,906	5	Cash		545,479,530
14.03.2005	25,350	109,121,256	5	Cash		545,606,280
06.04.2005	17,250	109,138,506	5	Cash		545,692,530
09.06.2005	4,149	109,142,655	5	Cash		545,713,275
12.09.2005	13,299	109,155,954	5	Cash		545,779,770
13.10.2005	141,397	109,297,351	5	Cash	FCCB Conversion	546,486,755
09.11.2005	2,250	109,299,601	5	Cash	Allotment of shares pursuant to exercise of stock options	546,498,005
11.01.2006	81,000	109,380,601	5	Cash		546,903,005
28.02.2006	39,450	109,420,051	5	Cash		547,100,255
28.04.2006	5,850	109,425,901	5	Cash		547,129,505
16.08.2006	10,002	109,435,903	5	Cash		547,179,515
19.12.2012	122,200	109,558,103	5	Cash		547,790,515
21.01.2013	25,300	109,583,403	5	Cash		547,917,015
29.08.2013	167,750	109,751,153	5	Cash		548,755,765
07.04.2014	8,000	109,759,153	5	Cash		548,795,765
29.05.2014	248,750	110,007,903	5	Cash		550,039,515



Date of allotment	No. of equity shares	Cumulative No. of Equity Shares	Face value (in ₹)	Consideration	Nature of allotment	Cumulative share capital (in ₹)
20.10.2014	32,500	110,040,403	5	Cash	Allotment of shares pursuant to exercise of stock options	550,202,015
20.01.2015	25,750	110,066,153	5	Cash		550,330,765
25.02.2015	6,750	110,072,903	5	Cash		550,364,515
24.06.2015	132,500	110,205,403	5	Cash		551,027,015
08.07.2015	214,000	110,419,403	5	Cash		552,097,015
27.07.2015	75,000	110,494,403	5	Cash		552,472,015
12.10.2015	6,000	110,500,403	5	Cash		552,502,015
16.12.2015	8,500	110,508,903	5	Cash		552,544,515
28.07.2016	39,125	110,548,028	5	Cash		552,740,140

#### 17. ADDRESS FOR CORRESPONDENCE

Shareholders should address their correspondence to the Company's Registrar & Transfer Agents, Link Intime India Private Limited at C-101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083, India. Telephone: +91 22 4918 6270 Email : wockhardt@linkintime.co.in

Shareholders can also address their correspondence to the Secretarial Department at the Global Headquarters of the Company at Wockhardt Towers, Bandra - Kurla Complex, Bandra (East), Mumbai 400 051. Tel No. 022 26534444; Fax: 022 26527860; Email: investorrelations@wockhardt.com

Further, if the Shareholders are not satisfied with the response, they can also lodge their complaints online on SCORES. All the complaints received through SCORES during the years were responded timely.

Shareholders holding shares in dematerialized form are requested to intimate their correspondence relating to their Bank details, ECS mandates, nominations, power of attorney, change of address, etc. to their respective Depository Participant.

#### 18. PLANT LOCATIONS

Formulation Plants		Bulk Drugs
L-1, MIDC Area, Chikalthana, Aurangabad – 431 210 Maharashtra	Plot No.87/A, Silver Industrial Estate, Bhimpore, Nani Daman - 396 210 Daman	Plot No. 138, GIDC Industrial Estate, Ankleshwar – 393002 Gujarat
E-1/1, MIDC, Shendra Aurangabad – 431 201 Maharashtra	Survey No. 106/4,5,7 Daman Industrial Estate, Kadaiya, Nani Daman – 396 210 Daman	
H-14/2, MIDC, Waluj, Aurangabad – 431 136 Maharashtra	57, Kunjhal, Barotiwala, Nalagarh, District Solan – 174 103, Himachal Pradesh	
B-15/2, MIDC, Waluj, Aurangabad - 431 136 Maharashtra		

For and on behalf of Board of Directors

**Dr. H. F. Khorakiwala**  
Chairman  
DIN: 00045608

Place: Mumbai  
Date : 4<sup>th</sup> May, 2017



### AFFIRMATION OF COMPLIANCE WITH CODE OF CONDUCT AND BUSINESS ETHICS

Pursuant to the requirements of Regulation 34(3) and Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, I hereby confirm that the Company has received affirmations on compliance with “Code of Conduct and Business Ethics” of the Company for the financial year ended 31<sup>st</sup> March, 2017 from all the Board Members and the Senior Management Personnel.

For **Wockhardt Limited**

**Dr. Murtaza Khorakiwala**  
Managing Director  
DIN: 00102650

Place: Mumbai  
Date : 4<sup>th</sup> May, 2017

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### CERTIFICATE OF CORPORATE GOVERNANCE

To,  
The Members of **Wockhardt Limited**

I have examined the compliance of Corporate Governance by **Wockhardt Limited** ('the Company') for the year ended 31<sup>st</sup> March, 2017, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the year ended 31<sup>st</sup> March 2017.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. My examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the Compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations, as applicable.

In my opinion and to the best of our information and according to the explanation given to me and based on the representations made by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations, as applicable.

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

**Virendra Bhatt**  
Practicing Company Secretary  
ACS No.: 1157; CP No.: 124

Place: Mumbai  
Date : 4<sup>th</sup> May, 2017







Dr. Habil Khorakiwala at the Convocation Ceremony

### KIIT University Confers D. Litt. (Honoris Causa) on Chairman

Dr. Habil Khorakiwala was conferred the prestigious degree of Doctor of Letters (D. Litt.), along with Nobel Laureate Professor Sir Richard John Roberts who was conferred with the degree of Doctor of Science (D.Sc), by the Kalinga Institute of Industrial Technology (KIIT) University, Bhubaneswar, at its Annual Convocation Ceremony. KIIT University is one of India's most prestigious universities serving over 27,000 students imparting globally recognised Bachelor's, Master's and Doctoral degree programmes in over 100 disciplines.

### Wockhardt Foundation awarded 'Best CSR in Pharma, 2016'

Wockhardt Foundation was honoured with the 'Best CSR in Pharma 2016' Award at the 9th Annual Pharmaceutical Leadership Summit. This award is a recognition of Wockhardt Foundation, its Trustee & CEO Dr. Huzaifa Khorakiwala, and his Warriors' efforts, and their significant national contribution towards social welfare and environment sustainability.



Dr. Huzaifa Khorakiwala with the Award



Mr. Amiya Sahoo & Ms. Vinisha Jayaswal accepting the Award

### Wockhardt Hospitals Awarded 'Dream Companies to Work For in Healthcare'

Wockhardt Hospitals won the 'Dream Companies to Work For in Healthcare' Award at a ceremony presented by Times Ascent and convened by the World HRD Congress. This collaboration aims to create a global platform that helps Human Resource Departments across the world to understand where they rank in the industry by showcasing their best practices. This is recognised and admired as a great platform for promoting healthy competition.

### European Quality Award at European Business Assembly, 2017

Wockhardt Limited won the European Quality Award at the Achievement Forum of the prestigious International Socrates Awards Ceremony, European Business Assembly, London. The purpose of the International Socrates Awards is an ongoing promotion of global personalities who, through their hard work and exceptional business sense, support an exchange of ideas and experiences amongst the international community in the areas of economics, politics, education and culture. A careful selection process by the International Socrates Committee picks the most deserving award recipients and honours their professional achievements on a global forum.



Managing Director, Dr. Murtaza Khorakiwala, accepting the Award



## WOCKHARDT WORLDWIDE

### GLOBAL HEADQUARTERS

**Wockhardt Limited**  
Wockhardt Towers  
Bandra Kurla Complex  
Bandra (East), Mumbai - 400 051  
Maharashtra, India  
Tel: +91 22 2653 4444  
Fax: +91 22 2652 3905

**Wockhardt Bio AG**  
Grafenauweg 6  
6300 ZUG, Switzerland  
Tel: +41 41 7275220  
Fax: +41 41 7275221

### REGISTERED OFFICE

**Wockhardt Limited**  
D-4, MIDC, Chikalthana  
Maharashtra - 431 006, India  
Tel: +91 240 669 4444  
Fax: +91 240 2489219

### RESEARCH CENTRES

**Wockhardt Research Centre**  
D-4, MIDC, Chikalthana  
Maharashtra - 431 006, India  
Tel: +91 240 669 4444  
Fax: +91 240 2485242

**Morton Grove Pharmaceuticals Inc**  
6451 Main Street  
Morton Grove

Illinois 60053-2633, USA  
Tel: +1 847 9675600  
Fax: +1 847 9672211

**CP Pharmaceuticals Ltd**  
Ash Road North  
Wrexham Industrial Estate  
Wrexham, LL13 9UF Wales, UK  
Tel: +44 1978 661261  
Fax: +44 1978 660130

### INTERNATIONAL GROUP COMPANIES

**Wockhardt USA LLC**  
20 Waterview Boulevard, 3rd Floor  
Parsippany NJ 07054 - 1229, USA  
Tel: +1 973 2574960  
Fax: +1 973 2574961

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Fax: +44 1978 660130

**Pinewood Healthcare**  
Ballymacarbray, Clonmel  
Co. Tipperary, Ireland  
Tel: +353 52 6186000  
Fax: +353 52 6136311

**Laboratoires Negma**  
Buroplus 3  
ZA de la Clef St Pierre  
1 Bis Avenue Jean D'alembert  
CS 80563

78996 Elancourt Cedex, France  
Tel: (0033) 1 61 37 20 00  
Fax: (0033) 1 61 37 20 30

**Morton Grove Pharmaceuticals Inc**  
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Illinois 60053 - 2633, USA  
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Fax: +1 847 9672211

### MANUFACTURING PLANTS

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B-15/2, MIDC Waluj  
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Fax: +91 240 6636444

**Wockhardt Limited**  
H-14/2, MIDC  
Area Waluj  
Maharashtra - 431136, India  
Tel: +91 240 6664444  
Fax: +91 240 666 4333

**Wockhardt Limited**  
L-1, MIDC, Chikalthana  
Maharashtra - 431210, India  
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Fax: +91 240 6637333

**Wockhardt Limited**  
E-1/1, MIDC, Shendra  
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Fax: +91 240 6617333

**Wockhardt Limited**  
87-A, Silver Industrial Estate  
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Fax: +91 260 6610334

**Wockhardt Limited**  
106-4/5/7, Daman Industrial Estate  
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Daman 396210, India  
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**Wockhardt Limited**  
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