Emerging Stronger.
Life Wins.

Golden 50 years

WOCKHARDT | LIFE WINS

ANNUAL REPORT 2021-2022

Challenges temper and toughen. Crises reveal character. Difficulties forge discipline. Be it people or businesses, they are defined by the manner in which they deal with and bounce back from adversity.

It is a measure of resilience, the quality of undergoing transformational change, and positive reinforcement of confidence. It is the ability to persevere and perform under pressure, find courage under fire, and discover opportunity in disruption.

Adversity has unveiled Wockhardt Limited's resilience; with the company emerging stronger and better-placed to face challenges, explore opportunities, and seek growth to ensure that Life Wins.

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FY 2021-2022: PERFORMANCE HIGHLIGHTS

Sales
US$ **426** million
₹ 3,230 crore

International Business
80%

Operating Profit (EBITDA)
₹ **298** crore

Net Debt to Equity Ratio
0.35

CHAIRMAN'S STATEMENT

MY DEAR SHAREOWNERS

The year under review has been a year of challenges, yet, I am pleased to report, also a year of several positive developments that will lay the foundation for sustainable growth. I am inspired by the Dalai Lama who said, "In order to carry out a positive action we must develop a positive vision." I believe that is our strength and the reason why we have emerged stronger, with a definite roadmap for the future.

STRENGTH OF OPPORTUNITY

I will begin by announcing the success of Wockhardt's Rights Issue of up to 3,32,44,650 fully paid up Equity Shares aggregating ₹748 crore, that was fully subscribed by public shareholders. The Issue will meet our financing needs to reduce long-term debt, fund research and development initiatives, and for other general and corporate purposes. It is a measure of your trust and support, and I thank all shareholders.

I am also happy to announce Wockhardt's collaboration with Serum Life Sciences UK Ltd., a subsidiary of the Serum Institute of India, the world's largest vaccine manufacturer, to deliver a global vaccine programme. Together, we will have sterile fill and finish facility to deliver a total of 150 million doses of multiple vaccines under a profit-sharing arrangement.

Let me share our long-term strategy that is based on three pillars to drive future growth and success.

STRENGTH OF STRATEGY – Pharmaceuticals

The first pillar is our pharmaceutical business in which we aim to drive double-digit growth over the next decade. We are well established, focusing on differentiated products to fulfil unmet medical needs by offering affordable medicines and other drug intermediates.

STRENGTH OF STRATEGY – New Drug Discovery

The second pillar is our New Chemical Entity (NCE) programme in the antibiotics space.

We have already launched EMROK and EMROK O in India and over 20,000 patients have been successfully treated. We will be launching these in other markets soon.

I am pleased to inform you that we have reached an agreement with Jiangxi Jemincare Group Company Limited, a leading pharmaceutical group in China, for our NCE WCK 4873 (INN: Nafithromycin) used to treat community-acquired bacterial pneumonia and other respiratory tract infections. Under the terms of the agreement, Jemincare will be responsible for exclusive development and commercialisation of the NCE in the People's Republic of China, Hong Kong, Macau, and Taiwan. We have received an upfront payment and will receive additional milestone payments.

We have the most comprehensive research and development facilities for end-to-end development and are, therefore, uniquely positioned with four new antibiotics, out of which three are moving into Phase 3 clinical trials, under development. They fulfil unmet medical needs and hence, have received a fast-track clinical study status (Qualified Infectious Disease Product) by US FDA . We are confident that one of our major innovative research products, WCK 5222, will be made available in US, India, and other markets within two to three years.

Our focus on and success in NCEs is demonstrated by the fact that we have been granted 36 patents for NCEs in FY 2021-22.

STRENGTH OF STRATEGY - Biologicals and Vaccines

The third pillar is our focus on development of biologicals, especially for diabetes, and vaccines.

We are a significant supplier of insulin in Emerging Markets. Today, our long-acting insulin, glargine, is available in many markets, and will soon be approved and available globally. We have also developed newer insulins like Aspart and Lispro, which will also be made available in global markets soon.

We are already supplying fill-finish vaccines for AstraZeneca UK government from our facility in Wrexham, North Wales. Further, our collaboration with Serum Life Sciences UK Ltd. will enhance our fill and finish capacity and put us on the global vaccine supply map.

STRENGTH OF COMMUNITY DEVELOPMENT

At Wockhardt, our Corporate Social Responsibility initiatives are an integral part of our corporate culture of doing the right thing in the right manner at the right time.

Wockhardt Foundation, in tandem with Wockhardt Hospitals and several other corporate and institutional partners, implements diverse social programmes to serve the less privileged. Our flagship programme, Mobile 1000, provided free medical services and medicines to over 4,000 villages in remote and rural areas. Along with our other outreach programmes like e-learning, skill development, potable water, and sanitation, we touch over 3 million lives every year.

I will conclude by quoting A. P. J. Abdul Kalam who said, "If four things are followed – having a great aim, acquiring knowledge, hard work, and perseverance – then anything can be achieved." We have a strategic plan in place, our course has been set, and we are well equipped with people and processes to seize opportunities for future growth.

Let's grow stronger. Let's grow together.

Dr. Habil Khorakiwala
Founder Chairman

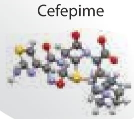
STRONGER THROUGH INNOVATION

With its R&D focus on new drug discovery in the antibiotics space for over two decades, Wockhardt emerged as the only pharmaceutical company in the world with six New Chemical Entities (NCEs) under development with Qualified Infectious Disease Product (QIDP) status by US FDA. Two of them (EMROK and EMROK O) have already been approved and launched in India successfully. While NCE WCK 4873 resumed clinical studies in February 2022, the other NCEs, whose clinical trials and studies were affected by the pandemic, are now set to resume.

Zidebactam

+

Cefepime



WCK 5222

It is a combination of Zidebactam and Cefepime that meets the urgent threat of Carbapenem-resistant Enterobacteriaceae and serious threats like Multidrug-resistant Acinetobacter, Drug-resistant Salmonella typhi and Multidrug-resistant Pseudomonas aeruginosa. It is to be positioned as a novel MOA-based, high-efficacy destination therapy for XDR pathogens.

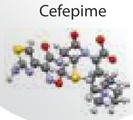
Status

An abridged Phase 3 global study protocol was finalised in consultation with US FDA, EMA and Chinese NMPA. With the threat of the pandemic decreasing, the studies are expected to begin in the second half of 2022.

Tazobactam

+

Cefepime



WCK 4282

It is a combination of high dose Cefepime and Tazobactam that meets the urgent threat of certain Carbapenem-resistant Enterobacteriaceae and serious threats like Extended-spectrum β-lactamase producing Enterobacteriaceae and drug-resistant Salmonella typhi. It is to be positioned as the first line empiric drug for hospitalised patients.

Status

While the global pandemic impacted the start of Phase 3 study for WCK 4282 in Europe and India, a leading global infectious disease expert opined in 2021 that WCK 4282 has genuine potential to be a workhorse antibiotic as a superior replacement to ceftriaxone and piperacillin-tazobactam. The study is now scheduled to commence in December 2022.

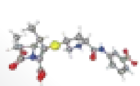
Nafithromycin

WCK 4873

It is a community-use oral respiratory antibiotic for the treatment of Multidrug-resistant pneumonia employing a short treatment regimen of three days. It is also effective against Clindamycin-resistant streptococci, categorised as a concerning threat.

Status

Following the availability of clinical sites previously occupied by COVID-19 patients, the Phase 3 study recommenced in February 2022.



Ertapenem

+

Zidebactam

WCK 6777

It is a first-ever, once-a-day ß-lactam enhancer class antibiotic based on Zidebactam in injection form that is indicated for treatment of complicated Urinary Tract Infections (cUTI) and complicated Intra-Abdominal Infections (cIAI).

Status

The National Institute of Allergy and Infectious Diseases (NIAID) - a part of the world's largest and most prestigious biomedical research organisation, the National Institutes of Health (NIH), USA - is supporting the Phase 1 clinical trial to be conducted at NIAID's trial units in the USA. NIAID will also sponsor the Investigational New Drug (IND) application for the study.

STRONGER THROUGH INTELLECTUAL PROPERTY

Wockhardt's R&D efforts are focused on New Chemical Entities (NCEs), Abbreviated New Drug Applications (ANDAs), Biosimilars and Biobetters, Novel Drug Delivery Systems (NDDS), etc.

Our belief in R&D as a value creator and growth driver is backed by our consistent investment in people and technology. A team of dedicated professionals - research scientists, doctorates, doctors, technicians and other professionals across multiple functions - are leading Wockhardt's research efforts.

Besides novel antibiotics, we are also focussing on biotechnology as the pharmaceutical technology of the future and have put together a highly accomplished multidisciplinary team of committed biotechnologists, biochemists, biophysicists, biochemical and chemical engineers as well as protein chemists.

Today, we have emerged stronger with a rich Intellectual Property (IP) base, with 3,228 cumulative patents filed and 803 cumulative patents granted as on 31st March, 2022.

Dr. Murtaza Khorakiwala

Managing Director

STRONGER THROUGH EXCELLENCE

The past two years of disruption due to the pandemic has taught us that challenges help us grow. FY 2021-22 has been a year of several new beginnings. Wockhardt's strategic plan for future growth is well on track and is characterised by several positive events. We have in place a new leadership team to handle our businesses across geographies that is already producing results.

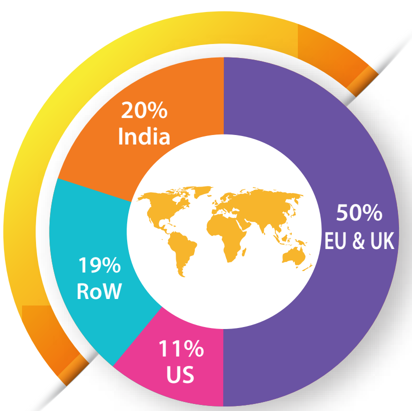
As the global pandemic shows signs of becoming endemic requiring annual vaccination, it translates into an opportunity for Wockhardt to become a significant contributor to the global vaccine supply chain. Given our infrastructure, expertise, and successful experience of supplying a 100 million doses of vaccines for the UK government at our Wrexham facility, we have had an encouraging response. Our collaboration with Serum Life Sciences UK Ltd. will enhance our sterile fill and finish facility in Wrexham, North Wales, that will deliver a total of 150 million doses of multiple vaccines, which is a strong indicator of future growth.

Our strategic plan also includes dedicated efforts to improve profitability, focus on emerging markets, development of biosimilars and biobetters for diabetes, development of NCEs, etc. The faster-than-market growth of the India business and rapid growth in EMROK sales is testimony to the soundness of the plan.

I must commend Team Wockhardt for their commitment and endeavour to rise up to challenges and perform under pressure.

Dedication pays dividends, as is evident in Wockhardt emerging stronger with clear and multiple avenues of growth being established.

Share of Global Revenue FY 2021-22



OUR EUROPEAN EDGE

Amongst Top 3 Indian generic companies in UK

6th largest generic supplier in Retail and Hospital channel in Ireland

OUR INDIA VALUE

No.1 Methylcobalamin brand (Methycobal - 26.7% market share)

No.1 Erythropoetin brand (Wepox – 21.1% market share)

Source: IQVIA MAT - March 2022 Data

Abbreviated New Drug Applications (ANDAs) *As on 31st March, 2022*

	Approved	Pending Approval
Ex-India	22	11
Ex-MGP USA	41	05

Mobile 1000
205 Vans Till Date (38.27 Lakh Patients Checked with Free Medicines)

Pronto Bio-Toilet
451 Pronto Bio-Toilets Till Date

E-Learning
387 Schools Till Date

Wockhardt Skills Development Institute
10 Centres in 2021-22

Pronto Toilet
4,704 Toilets Till Date

Zab (Desk + School Bag)
14,574 Bags Distributed Till Date

ANAAJ+
5,363 Grocery Kits Distributed Till Date

OVER 89 MILLION TIMES LIVES TOUCHED IN FY 2021-22

Dr. Huzaifa Khorakiwala

Trustee & CEO, Wockhardt Foundation
Executive Director, Wockhardt Limited

STRONGER THROUGH EMPATHY

Rachael Bermingham is right when she says, "Through adversity, not only are we given opportunity to discover our inner strength, we are also given the gift of foresight so we can shine a light for others who go through the experience after us."

Wockhardt Foundation has always endeavoured towards social and economic upliftment of underprivileged sections of society. We draw as much strength as we provide succour, adding to the joy and peace we feel by doing our bit to give back to society.

Our initiatives and programmes endeavour to provide to healthcare and medical supplies; skills and livelihoods; sanitation and potable water; education and training; etc.

Adhering to the simple philosophy that "every smile counts", Wockhardt Foundation, along with Wockhardt Hospitals and other corporate partners and individual volunteers, initiates and executes multiple and diverse programmes across geographies.

The ANAAJ+ programme was initiated at the beginning of the pandemic and during the peak of disruption as part of the 'Fight Corona' mission, distributed essential groceries such as rice, dal, wheat flour, sugar, oil, tea etc. to families living in the slum areas of Mumbai and Thane.

Our joy is our reward as we emerge stronger with over 89 million times lives touched in FY 2021-22.

WOCKHARDT FOUNDATION PROGRAMME EXECUTION POLICY

Ms. Zahabiya Khorakiwala

Managing Director, Wockhardt Hospitals#
Non-Executive Director, Wockhardt Limited

STRONGER THROUGH HEALTHCARE INFRASTRUCTURE

Wockhardt Hospitals is a chain of 6 super-speciality hospitals spread across Maharashtra and Gujarat. Wockhardt Hospitals uses state-of-the-art technology and innovative procedures to provide unparalleled care and safety for its patients. It has strengthened its clinical expertise by involving some of the topmost clinicians across specialties. Whether it is Heart, Brain, Spine, Joints, Kidney, Digestive, Oncology, or Critical Care, the doctors at Wockhardt have a collective experience of more than 10,000 interventional procedures and surgeries in each specialty. They are also experienced in performing minimally invasive surgeries in all specialities. Our cutting-edge research in the regenerative medicine space is focused on Stem Cells and Growth Factor Concentrate (GFC) Therapy in Hair Regrowth, Aesthetics, Orthopaedics and Chronic Wound Healing.

The pandemic highlighted the criticality of well-equipped hospitals as well as the agility to respond to healthcare challenges during an infectious disease outbreak. For the record, Wockhardt Hospitals rose to face this unprecedented crisis admirably. All of our hospitals, namely, The New Age Wockhardt Hospital, Mumbai Central; Wockhardt Super Speciality Hospital, Mira Road; Wockhardt Super Speciality Hospital, Nagpur; N M Virani Wockhardt Hospital, Rajkot; and Wockhardt Super Speciality Hospital, Nashik; transformed into COVID-19 hospitals with special isolation wards and ICUs. We also actively contributed to the nation's COVID-19 vaccination drive.

With the objective of providing the best and effective care to patients of various kind of cancers, we have remodelled the smaller Nagpur facility into 'Wockhardt Cancer Hospital' and the Rajkot Super Speciality Hospital is being equipped with advanced treatment and diagnostic capabilities for cancer patients. Wockhardt Hospitals has started re-welcoming international patients from the Middle East, Africa, Europe, and America after the break that happened because of pandemic.

1,74,653* CARDIAC PROCEDURES
Angiographies, Angioplasties, Bypass, Open heart and Cardiac valve surgeries on adult and paediatric patients

2,94,651* SURGICAL PROCEDURES
Organ transplants, Complex brain surgeries, Endoscopic spine surgeries...

29,990* ORTHOPAEDIC PROCEDURES
Knee and hip replacements, Poly-trauma surgeries, Complex fracture surgeries...

#Wockhardt Hospitals, an unlisted company, is part of the Wockhardt Group
*Cumulative numbers since inception

BOARD OF DIRECTORS

Dr. HABIL KHORAKIWALA
Founder Chairman

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 was the first non-American to be conferred with an Honorary Doctorate in 125 years by Purdue University (Pharmacy School) in 2010.

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 and Industry), he has met and shared India's business and economic dynamics with many Presidents, Prime Ministers and Heads-of-State. He has also served as the President of IPA (Indian Pharmaceutical Alliance); as 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; and as the Chancellor of Jamia Hamdard University, New Delhi, which has emerged as an outstanding institution of higher learning with distinct and focused academic programmes.

In 2017, Dr. Khorakiwala authored 'Odyssey of Courage', a book chronicling his entrepreneurial journey, and in 2018, he established the Wockhardt School of Courage, a unique mentorship programme for young and budding entrepreneurs, which is based on tenets, principles and insights drawn from the book.

Mr. AMAN MEHTA
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's operations in the Middle East, America and Asia Pacific.

Mr. D S BRAR
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 and 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 four decades with a major stint at Ranbaxy Laboratories, where he rose to become the CEO and Managing Director in the year 1999. Mr. Brar stepped down from this position in 2004 to start his entrepreneurial journey and founded GVK Biosciences Pvt. Ltd. (Now Aragen Life Sciences Pvt. Ltd.), a leading Contract Research and Development Organisation, and later, Excelra Knowledge Solutions Pvt. Ltd., an Informatics/Analytics Company. He is currently the Chairman of both these Companies. Mr. Brar has also served as a Director of Reserve Bank of India; member on the Board of National Institute of Pharmaceutical Education and Research; member of the Board of Governors of Indian Institute of Management, Lucknow; Chairman of Indian MNC Council of CII; and member of FICCI. Mr. Brar serves on the Boards of Mphasis Limited and EPL Limited (as Chairman of the Board); Maruti Suzuki India Limited; Punjab Innovation Mission; Mountain Trail Foods; Konnect Agro and acts as an Advisor to start-ups funded by Private Equity and Venture funds. He is also a member of the Advisory Board of the USA-India Chamber of Commerce (USAIC).

For his service and contribution to the pharmaceutical industry, Mr. Brar was honoured with the Dean's Medal by the Tufts University School of Medicine, USA, in 2004. The Federation of Asian Biotech Associations (FABA) conferred upon Mr. Brar the 'FABA Special Award 2011' for his contribution to the BioPharma sector.

Dr. SANJAYA BARU

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 Distinguished Fellow, United Service Institution of India, Centre for Air Power Studies, India, and was till recently named as Distinguished Fellow of the Institute for Defence Studies and Analysis, New Delhi.

In the past, Dr. Sanjaya Baru was the media advisor to the Prime Minister of India. He has also served as Secretary-General, FICCI; 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. Dr. Baru was a member of India's National Security Advisory Board and has served on the Governing Board of the Centre for Policy Research, New Delhi. He has also been a visiting professor at the Lee Kuan Yew School of Public Policy, Singapore, and the Indian School of Public Policy, New Delhi.

Mrs. TASNEEM MEHTA

Independent Director

Mrs. Tasneem Mehta has been a Director on the Board of Wockhardt since September 2014. She is Managing Trustee and Honorary Director, Dr. Bhau Daji Lad Museum, Mumbai, and a Former Vice Chairman and Mumbai Convenor, Indian National Trust for Art and Cultural Heritage.

Mrs. Mehta is an art historian, conservationist, writer, curator, and designer, who has successfully pioneered the revival and restoration of several cultural sites in Mumbai. She has conceptualised, curated, designed, and implemented the restoration and revitalisation of the Museum and the ongoing exhibitions and outreach programmes. The Museum won UNESCO's 2005 Asia Pacific 'Award of Excellence'. The Museum has been nominated for several awards for its outstanding work. Mrs. Mehta is the Academic Chair of the Museum's Diploma on Modern and Contemporary Art History and Curatorial Studies. She has also written and edited several books.

Mrs. Mehta is a member of International Council of the Museum of Modern Art, New York, and has served on several Indian museum boards and government committees for art and culture. She was the CII Chair for Culture in 2011 and presented an exhibition of Indian Art at Davos the same year. She was selected as a Mumbai Hero by Mumbai Mirror and has received several awards. Harvard University included her in a list of 25 women who have made an outstanding public contribution in India.

Mr. VINESH KUMAR JAIRATH

Independent Director

Mr. Vinesh Kumar Jairath has been a Director on the Board of Wockhardt since November 2016. He joined the Indian Administrative Service in 1982 and served in various important positions in Government of Maharashtra and Government 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 in the 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 Government.

Mr. AKHILESH GUPTA

Independent Director

Mr. Akhilesh Gupta has been a Director on the Board of Wockhardt since August 2020. An Advanced Leadership Senior Fellow at Harvard University, he also holds an MBA degree from the Graduate School of Business, Stanford University, and a B.Tech. in Chemical Engineering from the Indian Institute of Technology, Delhi.

Mr. Gupta served as the Chairman of Blackstone India till December 2014. Prior to Blackstone, he served as CEO - Corporate Development for Reliance Industries Limited from 1992 till 2005.

Mr. Gupta currently serves on the Advisory Council of the Graduate School of Business at Stanford University; on The Dean's Leadership Council at Harvard Divinity School; and on the Advisory Board of Human Flourishing Initiative at Harvard University. He has served on the Boards of several Blackstone portfolio companies, Larsen & Toubro, and Reliance Group companies.

Mrs. RIMA MARPHATIA
Nominee Director

Mrs. Rima Marphatia, Chief General Manager, Export-Import Bank of India, heads the Bank's Internal Audit Group. She joined Exim Bank in 1990 after completing her post-graduation in Business Management from Indian Institute of Management, Bangalore, specialising in Finance. Since then, she has had wide-ranging exposure in the areas of Corporate Lending, Structured Finance, Risk Management, MIS, Accounting, and Treasury. She has benefitted from a number of specialised training programmes, both in India and abroad. She has represented Exim Bank on various committees set up by the Reserve Bank of India on issues pertinent to Financial Institutions, and has served as the Bank's Nominee Director on the Boards of assisted companies.

Dr. HUZAIFA KHORAKIWALA
Executive Director

Dr. Huzaifa Khorakiwala 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, led various Wockhardt businesses. He has been the Executive Director of the Company since April 2009. He also serves as Trustee and CEO of Wockhardt Foundation, whose flagship programme, Mobile 1000, runs Mobile Medical Units delivering free primary healthcare to rural and remote India. He is the Founder of The World Peacekeepers Movement, an online movement of over 2 million peacekeepers. Dr. Huzaifa is a recipient of 13 honorary doctorates and many other prestigious awards and titles including a Knighthood, which was bestowed on him by the Ecumenical, Medical, Humanitarian Order of Knights of St. John of Jerusalem (Knights of Charity).

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. In 2018, Dr. Murtaza was elected as President of the Bombay Management Association (BMA). He has also served as President of ICC India, International Chamber of Commerce, in the year 2020-21.

Ms. ZAHABIYA KHORAKIWALA
Non-Executive Director

Ms. Zahabiya Khorakiwala is the Managing Director of Wockhardt Hospitals Limited and is responsible for strategic decisions, identifying new business opportunities, and creating viable and sustainable business models to drive growth in the overall operations of the hospital chain. She is also a Director on the Board of RPG Life Sciences Limited.

Ms. Khorakiwala was schooled at the prestigious Aiglon College in Switzerland; did her graduation from New York University; and received an MBA degree from the Indian School of Business, Hyderabad.

Championed by robust Research and Development, Ms. Khorakiwala has instituted a cutting-edge regenerative medicine business, the newest venture of the Wockhardt Group. Ms. Khorakiwala has also set up Wockhardt Global School, a state-of-the-art K-12 school with International Baccalaureate Continuum and CBSE programmes in Aurangabad.

BOARD'S REPORT

Dear Members,

The Board of Directors are pleased to present the Twenty Third Annual Report of the Company along with the Audited Financial Statements for the financial year ended 31st March, 2022.

FINANCIAL RESULTS AND HIGHLIGHTS

(₹ in Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Consolidated		
Continuing Operations		
Total Revenue from Continuing Operations	**3,250**	2,840
Profit before Depreciation, Finance Cost & Tax from Continuing Operations	**318**	69
Profit/(Loss) before Tax from Continuing Operations	**(411)**	(568)
Tax expense – Credit/(charge) of Continuing Operations	**132**	271
Profit/(Loss) after Tax before Other Comprehensive Income from Continuing Operations	**(279)**	(297)
Discontinued Operations		
Profit/(Loss) from Discontinued Operations before Tax	–	1,484
Tax expense of Discontinued Operations – (charge)/credit	–	(499)
Profit/(Loss) from Discontinued Operations	–	985
Profit/(Loss) for the year	**(279)**	688
Total Comprehensive Income	**(306)**	684
Standalone		
Continuing Operations		
Total Revenue from Continuing Operations	**1,410**	1,028
Profit before Depreciation, Finance Cost & Tax from Continuing Operations	**260**	(97)
Profit/(Loss) before Tax from Continuing Operations	**(184)**	(623)
Tax expense – Credit/(charge) of Continuing Operations	**44**	231
Profit/(Loss) after Tax before Other Comprehensive Income from Continuing Operations	**(140)**	(392)
Discontinued Operations		
Profit/(Loss) from Discontinued Operations before Tax	–	1,484
Tax expense of Discontinued Operations - (charge)/credit	–	(499)
Profit/(Loss) from Discontinued Operations	–	985
Profit/(Loss) for the year	**(140)**	593
Total Comprehensive Income	**(141)**	593

The Consolidated total revenue of the Company for the financial year ended 31st March, 2022 stood at ₹ 3,250 crore as compared to ₹ 2,894 crore (including revenue from discontinued operations ₹ 54 crore) of previous year. Earnings before interest, tax, depreciation and amortization (EBITDA) for the year ended 31st March, 2022 was ₹ 298 crore vis-à-vis ₹ (47) crore during previous year. The Total Comprehensive Income for the year stood at ₹ (306) crore vis-à-vis ₹ 684 crore of previous year.

On a Standalone basis, the Company registered total revenue of ₹ 1,410 crore as compared to ₹ 1,082 crore (including revenue from discontinued operations ₹ 54 crore) of previous year. Total Comprehensive Income for the year stood at ₹ (141) crore vis-à-vis ₹ 593 crore of previous year.

STATE OF COMPANY'S AFFAIRS

Financial year 2021-22 has seen some major developments for your Company.

Wockhardt and Jemincare partner for novel respiratory antibiotic Nafithromycin

Wockhardt Bio AG – a subsidiary of Wockhardt Limited, ("Wockhardt") and Jiangxi Jemincare Group Company Limited, China ("Jemincare") have partnered for Wockhardt's novel patented antibiotic WCK 4873 (INN: Nafithromycin) in People's Republic of China, Hong Kong, Macau and Taiwan for the treatment of community-acquired bacterial pneumonia and other respiratory tract infections.

Under the terms of the definitive agreement, Jemincare will be responsible for exclusive development and commercialization of the Nafithromycin in the select markets. A joint steering committee is formed to oversee development and regulatory activities. Wockhardt will receive an upfront payment and will be eligible for regulatory-linked milestone payments. Further, Wockhardt would supply the product to Jemincare and will receive royalties on net sales. Wockhardt would transfer the manufacturing technology to Jemincare at mutually agreed time.

National Institutes of Health (NIH), USA to conduct human Phase 1 trial of Wockhardt's novel once-a-day MDR Gram-negative antibiotic WCK 6777

The National Institute of Allergy and Infectious Diseases (NIAID), part of the National Institutes of Health (NIH), United States of America (USA) is supporting a Phase 1 clinical trial of Wockhardt's novel once-a-day, multidrug-resistant (MDR) Gram-negative targeted antibiotic WCK 6777. The trial will be conducted at NIAID's Phase I clinical trial units in the USA. NIAID will sponsor the investigational new drug (IND) application for the study. The Food and Drug Administration (USA) has granted a Qualified Infectious Disease Product (QIDP) designation to WCK 6777, which signifies its ability to meet unmet medical need and facilitates faster approval process. Interestingly, WCK 6777 is a combination of zidebactam and ertapenem and, zidebactam has also been combined with cefepime, the combination designated as WCK 5222. WCK 6777 operates through a novel β-lactam enhancer action that enables it to overcome several clinically challenging resistance mechanisms in Gram-negative pathogens. Once-a-day therapeutic profile of WCK 6777 is expected to cut hospital admissions, facilitate early patient discharge and thus introduce patient-centered care for MDR infections. Through independent preclinical studies, WCK 6777 is shown to be active against several carbapenem-resistant Gram-negative pathogens such as Escherichia coli and Klebsiella, which are often the cause of community as well as hospital infections such as urinary tract infections (UTIs). In USA, UTIs alone accounts for about three million annual hospitalizations and are linked to hospital care cost exceeding 2.8 billion USD[1]. This trial is being funded in whole or in part under NAIID award number HHSN272201500005I.

Collaboration with Serum Life Sciences UK for manufacturing multiple vaccines in the United Kingdom

CP Pharmaceuticals Limited, a subsidiary of Wockhardt Limited and Serum Life Sciences UK have collaborated for delivering a global vaccine programme (~ 150 mn doses annually). A profit sharing arrangement has been made between the two parties. This collaboration is testament to the excellence and innovation that both parties bring to the global vaccine market. It will be instrumental in building long-term capacity in the UK. With this, your Company seeks to further bolster supply resilience and support the global rollout of vaccines. This deal signifies the role that your Company will now step up to play in the global supply of multiple vaccines protecting citizens against infectious diseases – which may include those used to immunise against COVID-19.

Updates on Research and Development

Your Company's strategic focus continues to be on Research and Development ('R&D'). With the Company's New Chemical Entity ('NCE') WCK 6777 getting QIDP designation from the US FDA, Wockhardt became the only Company in the world to hold QIDP Status for six antibiotics. Three of them are targeting Gram-Negative pathogens and the other three are effective against Gram-Positive difficult-to-treat "Superbugs".

R&D endeavours in the pharmaceutical business not only have long gestation period but demands heavy investments; accordingly, your Company, year-on-year, continues to invest substantial part of topline on R&D. During the year, R&D expenses stood at ₹ 143 crore (4.43% of consolidated revenue) vis-à-vis ₹ 172 crore of previous year.

Being a research based Global Pharmaceutical and Biotech Company, your Company has strong focus on developing intellectual property. During the year, the Company has filed 41 patent applications and 40 patents were granted during the year of which 36 patents were for NCEs. Accordingly, as on 31st March, 2022, the Company has cumulatively filed 3,228 patents and holds 803 grants.

During the year, your Company continued its long-term strategic initiatives in value creation through cost containments, fostering culture of cost-consciousness, budgetary controls to improve efficiencies and working capital optimization which gave positive impact.

Current status of QIDP products: Spurring Clinical development of NCEs in different territories:

WCK 5222: An abridged Phase 3 global study protocol finalized in consultation with US FDA EMA and Chinese FDA (NMPA). The study which was expected to commence in second half of 2020 could not be initiated due to COVID-19 pandemic. With pandemic in most part of the world showing receding trend, the study is expected to start in in the second half of 2022.

WCK 4282:. A leading global infectious disease expert opined in 2021 that WCK 4282 has genuine potential to be workhorse antibiotic as a superior replacement to ceftriaxone and piperacillin-tazobactam. After the start of WCK 5222 study, Phase 3 study for WCK 4282 is estimated to commence in December 2022.

WCK 4873: The Phase 3 Study recommenced in February 2022 following the availability of clinical sites previously occupied by COVID patients.

WCK 771 & WCK 2349: Since their launch, both Emrok & Emrok O have been gaining wider clinical acceptability by virtue of them addressing unmet need in the management of serious Gram-positive infections with about 20,000 patients already treated with these novel drugs.

WCK 6777: World's most prestigious and the largest bio-medical research organization, the National Institutes of Health (NIH, USA) has recognized the clinical significance of WCK 6777 and accordingly selected for the conduct of Phase 1 study. The study will be undertaken at NIH's Phase 1 clinical trial unit in consultation with two top notch US infectious disease experts Dr Robert Bonomo and Dr Thomas Lodise.

Your Company has strong focus in developing intellectual property and filed 41 patents during the year under review. During the year, 40 patents were granted of which 36 patents were for NCEs. Thus, year after year an impressive success rate for the grant of NCE patents is maintained. As on 31st March, 2022, combined pool of Company's patent has reached 3,228 filings and 803 grants.

Biotechnology Research of the Company

Development of Biosimilars and Biobetters is our Biotech R&D team's primary focus area. Biotechnology is viewed by global experts as the pharmaceutical technology of the future, and we have a very strong commitment to this field. Our highly accomplished multidisciplinary team of committed biotechnologists, biochemists, biophysicists, biochemical and chemical engineers as well as protein chemists are poised to develop biological drugs to address unmet clinical needs.

Biotechnology R&D team of the Company has succeeded in developing and commercializing Recombinant Hepatitis-B Vaccine (Biovac-B), Recombinant Human Erythropoietin (WEPOX), Recombinant Human Insulin (WOSULIN), Recombinant Insulin Glargine (GLARITUS), which have all been well received in the market.

Your Company has a robust pipeline of recombinant therapeutic proteins for major healthcare needs. Out of these, Recombinant Interferon Alfa 2b and PEGylated G-CSF have already been approved for manufacturing and marketing in India. The overall focus is development and commercialization of antidiabetic Biosimilar products. Other products at different stages of development are: Recombinant Insulin analogues (Insulin Aspart, Insulin Lispro), Recombinant Darbepoetin, GLP-1 agonists etc. Pharmacokinetic and Pharmacodynamic (PK/PD) study for Insulin Aspart has been initiated and is estimated to be completed in FY22-23.

E. coli based platform technology for Insulin 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 in the existing plant and with DSP up-gradation a capacity of >6 tons/annum is achievable. The platform technology offers opportunity with surmountable challenge to replicate the same for other insulin analogues. E. coli based platform technology for Insulin Aspart has also been successfully scaled up in project E.

Biobetters:

Insulin for insulin resistant/higher BMI diabetic patients:

In-house developed Biobetter Recombinant Human Insulin (200IU/mL): Consegna R and Consegna 30/70, have already been launched in India. With 50% volume reduction per dose, Consegna which promises reduced pain and better compliance has been well received in the market.

Biotechnology team is also developing other Biobetter drugs like combination of insulin and insulin analogues; insulin/insulin analogues and GLP-1 agonist for addressing the patients' needs, particularly of insulin resistant/higher BMI diabetic patients. Preclinical study for one of the Insulin/Insulin Analogue biobetter drug products is planned to be initiated in 2022.

Vaccines:

During the covid-19 pandemic, your Company successfully transferred non-replicating viral vector based covid-19 vaccine technology and carried out process validation at manufacturing facility. The company also successfully obtained the necessary regulatory approvals for manufacturing and export

COVID 19 Pandemic Impact & Response – Recovery and Road Map Ahead

The second half of 2021 showcased the resilience of the Pharmaceutical Industry with significant outcome of efforts on vaccine development with multiple vaccine approvals. The launch of vaccination in some countries in end 2020 raised hopes of an eventual end to the pandemic. In what was believed as a ray of hope and to have subsided over the fourth quarter of 2021, the financial year started with havoc struck in the form of worst mutation of the Sars-COV-2 virus by way of Delta variant. The first quarter of 2021 saw the unprecedented outbreak of this variant which first got detected in India and spread across 179 countries through November 2021. Economies were forced to go under lockdown to contain the spread which dampened the already bleak economic prospects of revival. The variant proved to be one of the most devastating forms of the list of mutations leading to large number of hospitalizations & deaths and events believed to have deep and cascading impact across the entire economic chain. Industrial and other economic activity, consumption, mobility slowed down as countries braced themselves eventually to prioritize the healthcare infrastructure. Supply disruptions continued to weigh on activity. While on one hand economies were evolving from the onslaught of Delta in H1, H2 prospects continued to be dampened by the more infectious but less lethal Omicron mutation which expanded presence across the globe. However it is noteworthy that vaccination drive peaked across the globe during this period with the most encouraging results and this helped to contain the effects of the virus, its lineages and sub lineages.

Surging infections on account of recurrent mutations continue to disrupt the path to economic recovery and consequently uncertainties still continues. Much remains to be done on the health and economic policy fronts to limit persistent damage from the severe contraction and ensure a sustained recovery. Containment efforts will be of key focus through 2022.

The COVID-19 pandemic has transitioned to a new phase with widespread use of vaccines and improved therapeutics, but the periodic emergence of viral variants and incomplete vaccine rollouts leaves significant uncertainty in the years ahead.

The COVID-19 crisis has disrupted the human civilization and gave a herculean task to reshape the world. The entire world realized the gravity of the situation and were left with no alternative but for prolonged quarantine.

Your Company had undertaken proactive steps from the inception of the pandemic across all facets of business operations & safety of people. Anticipating the onset of major crisis in time to come and in the best interest of all the internal stakeholders in focus, your Company quickly took decision to roll out work from home (WFH) for its associates as early as third week of March 2020. This Hybrid model continued to operate smoothly through 2021 until H1-22. Your company decided to discontinue the hybrid model and switch gradually to work from office to ensure better co-ordination amongst the teams and improved turnaround w.r.t day to day operations. The decision to reopen the office came to be backed by health safety and well-being initiatives for the employees like regular sanitization, online food delivery and Bus service for the associates. The decision was overwhelmed by most of the employees leading to enthusiasm and improved productivity. As on March end, 100% of the associates are back to office.

CREDIT RATINGS

During the year 2021-22, CARE Ratings Limited ('CARE Ratings') has re-affirmed the Company's ratings for Long-Term Bank Facilities (Fund Based) as "CARE BBB-; Stable" and for short-term Bank Facilities (Non Fund Based) as "CARE A3".

CARE Ratings has also assigned a rating for the Company's Non-Convertible Debentures issue aggregating to ₹ 250 crore as "CARE BBB-; Stable".

Further, India Rating & Research Private Limited has reaffirmed the Company's ratings for Long-Term Loan Facilities to "IND BBB-/Stable" and for Short-Term Loan Facilities to "IND A3".

DIVIDEND AND RESERVES

The Board of Directors of your Company do not recommend any dividend on the equity shares of the Company for the year ended 31st March, 2022; and no amount has been transferred to the General Reserve of the Company.

DIVIDEND DISTRIBUTION POLICY

Dividend Distribution Policy of your Company 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, the Company has allotted 34,350 equity shares of ₹ 5 each against exercise of Stock Options granted under Wockhardt Employees' Stock Option Scheme – 2011 ('the Scheme').

During the year under review, your Company has also issued and allotted 3,32,44,650 Equity Shares of the face value of ₹ 5 each for cash at a price of ₹ 225 per Equity Share (including premium of ₹ 220 per Share) aggregating to ₹ 7,48,00,46,250 pursuant to a Rights Issue of shares in the ratio of 3 (Three) Rights Equity Share for every 10 (Ten) fully paid-up Equity Share of the Company, held by the eligible Equity Shareholders on the Record Date i.e. 9th March, 2022. The Rights Issue opened on 15th March, 2022 and closed on 22nd March, 2022. The Rights offering by your Company received a very satisfactory response, as seen by strong participation from shareholders and investors, and was fully subscribed. The Company received the approval from Stock Exchanges for listing on 29th March, 2022 and trading of Rights Equity Shares on 30th March, 2022. Consequent to the allotment of shares pursuant to the Scheme and Rights Issue, the issued, subscribed and paid-up Equity Share Capital of the Company stands increased from ₹ 55,39,05,765 to ₹ 72,03,00,765 comprising 14,40,60,153 Equity Shares of the face value of ₹ 5 each, fully paid-up during the year under review.

There were no issue of equity shares with differential voting rights or sweat equity shares during the year 2021-22. 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, each of 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 ('the Act') 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 Director during the year. Independent Directors have also submitted declaration that they have registered themselves on the online data bank of Indian Institute of Corporate Affairs (IICA) in accordance with the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019.

In terms of the provision of Section 152 of the Act, Mr. Murtaza Khorakiwala (DIN: 00102650), Managing Director retires by rotation as Director at the ensuing AGM and being eligible, offers himself for re-appointment. The Nomination and Remuneration Committee and the Board recommends his re-appointment.

During the year under review, Mr. Manas Datta ceased to be the Chief Financial Officer of the Company with effect from 2nd September, 2021. Based on the recommendations of the Nomination and Remuneration Committee and the Audit Committee, the Board of Directors of the Company at its Meeting held on 27th January, 2022 appointed Mr. Deepak Madnani as the acting Chief Financial Officer of the Company effective 1st March, 2022. Subsequently, during the current year, Mr. Pramod Gupta has been appointed as the Chief Financial Officer and Key Managerial Personnel with effect from 4th April, 2022 at the meeting of Board of Directors and on recommendation of Nomination and Remuneration Committee and Audit Committee consequently Mr. Deepak Mandnani relinquished his temporary additional responsibilities as the Chief Financial Officer of the Company.

During the year under review, Mr. Gajanand Sahu who was appointed as Company Secretary and Compliance Officer for an interim period, with effect from 12th May, 2020, relinquished his responsibilities as the Company Secretary and Compliance Officer of the Company with effect from 22nd July, 2021 and based on recommendation of Nomination and Remuneration Committee, the Board appointed Mr. Debashis Dey as Company Secretary and Compliance Officer of the Company in his place.

The Board places on record its appreciation for the contribution made by Mr. Manas Datta and Mr. Gajanand Sahu, during their tenure as the Chief Financial Officer and interim Company Secretary respectively.

In accordance with the provisions of Section 2(51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Dr. Murtaza Khorakiwala, Managing Director, Mr. Deepak Madnani, acting Chief Financial Officer and Mr. Debashis Dey, Company Secretary & Compliance Officer were the Key Managerial Personnel ('KMP') of your Company as on 31st March 2022.

None of the directors are disqualified under Section 164(2) of the Companies Act, 2013. Further, they are not debarred from holding the office of Director pursuant to order of SEBI or any other authority.

MEETINGS

During the financial year 2021-22, 6 (six) meetings of the Board of Directors and 4 (four) meetings of the Audit Committee were held. Details of these meetings and other Committees of the Board/General Meeting are given in the Report on Corporate Governance forming part of this Annual Report.

AUDIT COMMITTEE

Presently, the Audit Committee comprises of Mr. Aman Mehta as Chairperson and Mr. Davinder Singh Brar, Dr. Sanjaya Baru, Mrs. Tasneem Mehta, Mr. Vinesh Kumar Jairath and Mr. Akhilesh Gupta 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.

STATUTORY AUDITORS AND AUDITORS' REPORT

M/s. B S R & Co. LLP, Chartered Accountants, were appointed as the Statutory Auditors of the Company at the Annual General Meeting ('AGM') of the Company held on 14th August, 2019 for a term of five years i.e. till the conclusion of the 25th AGM (to be held during calendar year 2024).

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 or adverse remark.

COST AUDIT

Pursuant to the provisions of Section 148 of the Companies Act, 2013 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 the Cost Auditors to conduct the Cost Audit of the Company for the financial year 2022-23. 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 31st March, 2023 needs to be ratified by the Members of the Company. Accordingly resolution for the said ratification is being placed for approval of Members of the Company at the ensuing AGM.

The Cost Auditors' Report for the financial year ended 31st March, 2021 does not contain any qualification, reservation and adverse remark, and the same was duly filed with the Ministry of Corporate Affairs within the due date.

SECRETARIAL AUDIT AND COMPLIANCE WITH SECRETARIAL STANDARDS

The Board of Directors of your Company had appointed Mr. Virendra Bhatt, Practising Company Secretary as the Secretarial Auditors to conduct Secretarial Audit of the Company for the year ended 31st March, 2022. The Secretarial Audit Report issued by Mr. Virendra Bhatt does not contain any qualification, reservation or adverse remark. The Secretarial Audit Report is annexed as Annexure I to this Report.

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

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 31st March, 2022, 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 31st March, 2022 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 loss of the Company for the year ended 31st March, 2022;

(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 31st March, 2022 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.

ANNUAL RETURN

Pursuant to the provisions of Section 92 of the Companies Act, 2013, copy of the Annual Return of the Company for the year ended 31st March, 2022 is available at www.wockhardt.com.

EMPLOYEE STOCK OPTIONS

Pursuant to SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and other applicable laws, if any, the required disclosures as on 31st March, 2022 are annexed as Annexure II 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 the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, 'CSR Policy' as recommended by the CSR Committee and approved by the Board is uploaded on the website of the Company www.wockhardt.com.

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 2021-22. However, considering the pandemic situation and as a continuing corporate governance practice, the Company contributed ₹ 0.78 crore to Wockhardt Foundation, the CSR arm of the Company, for spending on CSR activities in the areas of healthcare, 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 III to this Report.

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS

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

The appointment of Directors and KMP is made by the Board 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 for payment of remuneration to Whole-time Directors is sought as and when required or applicable.

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. During the year under review, the Company has not paid any commission to the Non-Executive Directors.

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 also available on the website of the Company and can be accessed using the web link 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 has 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 has 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 considering 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

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.

M/s. Ernst and Young, during the year, reviewed self-assessment tool on adequacy of Internal Financial Control ('IFC') process of the Company in accordance with the requirement of the Companies Act, 2013. There were no material observations noted in this review.

The Company, during the year, continued with its past practice of a co-sourced model for internal audit. The Company's internal audit team is assisted by M/s. Ernst and Young who carry out internal audit reviews in accordance with the approved internal audit plan. Internal audit team reviews the status of implementation of internal audit recommendations. Summary of critical observations, if any and recommendations under implementation are reported to the Audit Committee.

During the year under review, there were no instances of fraud reported by the Auditors under Section 143(12) of the Companies Act, 2013.

RISK MANAGEMENT

The Board of Directors of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls.

During the year under review, the Risk Management Committee was reconstituted due to cessation of Mr. Manas Gupta as Chief Financial Officer of the Company, who was a member of the Committee. Presently the Risk Management Committee comprises of Dr. Habil F. Khorakiwala as Chairman and Mr. Davinder Singh Brar, Independent Director, Dr. Murtaza Khorakiwala, Managing Director as its members. During the financial year under review, the Risk Management Committee met once and the details of these meetings are given in the Report on Corporate Governance forming part of this Annual Report.

Enterprise Risk Management (ERM) framework encompasses practices relating to the identification, analysis, evaluation, mitigation and monitoring of the strategic, external and operational controls risks in achieving key business objectives. The Company identifies and tries to mitigate risks that matter on an ongoing basis. Risk Management Policy approved by the Board is in place. Risk management is embedded in the strategic business decision making.

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, competitive landscape, growth models and attracting and retaining talented workforce.

External Risks arising out of uncontrollable factors in the external environment due to various developments, especially the unprecedented COVID-19 pandemic, in the regulatory environment in which your Company operates, unfavourable trends in the macroeconomic environment including currency fluctuations, Country specific risks, economic and political environment, technology disruptions etc. are actively assessed to take appropriate risk mitigation measures.

Operational controls risks encompasses risks of disruptions to supply chain, manufacturing operations due to the COVID-19 pandemic, 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; are reviewed on an ongoing basis.

The current key risk of the Company 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 also 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 & machinery and stocks have been adequately insured.

GREEN INITIATIVE

Your Company has undertaken various green initiatives to preserve environment, which includes energy saving, water conservation and usage of electronic mode in internal processes & control, statutory and other requirement. In the same spirit, shareholders are also requested to register their e-mail IDs with the Depositories/ RTA/ Company, as the case may be, for receiving all communication from the Company electronically.

POLICIES

For better conduct of operations and in compliance with the applicable regulatory requirements, your Company has framed and adopted certain policies. 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:

Name of the Policy	Brief Description	Web Link
Policy for determining Materiality of Events	This policy aims to determine Materiality of events/ information.	http://www.wockhardt.com/files/policy-determining-materiality-of-events.pdf
Archival Policy	The policy deals with archival of the Company's records and documents.	http://www.wockhardt.com/files/archival-policy.pdf
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.	http://www.wockhardt.com/files/pms-31122.pdf
Policy on Materiality of and Dealing with Related Party Transactions	The policy regulates all transactions between the Company and its' related parties.	http://www.wockhardt.com/files/prt-31122.pdf
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.	http://www.wockhardt.com/files/whistle-blower-policy-04-03-20.pdf
Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information	The Code determines principles for fair disclosure of Unpublished Price Sensitive Information.	http://www.wockhardt.com/files/code-of-fair-disclosur-of-upsi-2-4-19.pdf
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.	http://www.wockhardt.com/pdfs/csr-policy.pdf
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.	http://www.wockhardt.com/pdfs/wl-remuneration-policy.pdf
Dividend Distribution Policy	The policy determines the parameters/ basis for declaration of dividend.	http://www.wockhardt.com/files/dividend-distribution-policy.pdf

Name of the Policy	Brief Description	Web Link
Policy on Preservation of Records	The policy deals with periodicity of retention of the Company records and documents.	Available on internal portal
Risk Management Policy	The Policy is intended to institutionalize the risk management framework of the Company which includes identification, review and reporting of material risks.	
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.	
Policy for Inquiry in case of Leak/ Suspected Leak of Unpublished Price Sensitive Information ('UPSI')	The Policy is intended to set procedure to conduct inquiry in case of leak or suspected leak of UPSI in violation of SEBI (Prohibition of Insider Trading) Regulations, 2015, and Code of Conduct for Regulating, Monitoring and Reporting Trading 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 possible ethical standards.	
Human Right Policy	Policy aims at social & economic dignity and freedom, regardless of nationality, ethnicity, gender, race, economic status or religion. Also focuses to uphold international human rights standards.	
Stakeholder Engagement Policy	Policy aims to create a sustainable environment that involves relevant Stakeholders, who may be affected by or can influence organisation's decisions.	
Policy on Safety, Health and Environment	The policy provides the provision of a safe and healthy work place for every employee and care for the environment to make the world a better place to live in.	
Acceptable usage Policy for IT System	The policy outlines the acceptable use of computing equipment and information security awareness.	
HR Policy Handbook	This encompasses work timings, Leave Policy, No Smoking in Company Premises, Employee Benefit related guidelines, Policy on prevention of Sexual Harassment at work place, etc.	

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

The particulars of loans, investments and guarantees are provided under Note 6 and Note 34 in the Notes to the Financial Statements.

PARTICULARS OF CONTRACTS/ ARRANGEMENTS WITH RELATED PARTIES

During the financial year 2021-22, all contracts/ arrangements/ transactions entered into by the Company 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 directly with its Key Managerial Personnel or their relatives. The details of related party transaction are provided under Note 41 in the Notes to the Financial Statements.

The particulars of contracts/ arrangements with related parties in Form AOC-2 is annexed as Annexure IV 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. During the year, the Company did not receive any complaint under Vigil Mechanism.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures with respect to the remuneration of directors and employees as required under Section 197 of the Act and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 have been annexed to this report as Annexure V.

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, 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 terms 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.

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 VI to this Report.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANY

As on 31st March, 2022 the Company has total 33 Subsidiaries. Presently the Company does not have any joint venture or associate company.

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

In accordance with 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 annexed as Annexure VII to this Report.

CONSOLIDATED FINANCIAL STATEMENT

The Consolidated Financial Statement of your Company for the financial year 2021-22 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. Any Shareholder interested in obtaining a copy of the separate Financial Statement of the Subsidiary(ies) can make specific request in writing to the Company Secretary and the same will be furnished on request.

DEPOSITS

During the year under review, your Company has not accepted any Deposits under Chapter V of the Companies Act, 2013 and as such no amount on account of Principal or Interest on Deposits from Public was outstanding as on 31st March, 2022.

DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company strongly believes in providing a safe and harassment free workplace for each and every individual working for the Company through various interventions and practices. It is the continuous endeavor of the Management of the Company to create and provide an environment to all its Associates that is free from sexual harassment. Pursuant to the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("Act"), the Company has constituted Internal Committees (IC) across all the locations which are responsible for redressal of complaints related to sexual harassment at respective locations. The Company arranged various interactive awareness workshops in this regard for the Associates at all the manufacturing sites and Corporate Office during the year under review. During the year 2021-22, the Company has not received any Complaints on sexual harassment.

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.

MATERIAL CHANGES AND COMMITMENTS OCCURRED AFTER THE END OF FINANCIAL YEAR

There are no material changes and commitments between the end of the financial year of the Company and as on the 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

A Report on Corporate Governance along with a Certificate from Practicing 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 wish to place on records their sincere appreciation and acknowledge the dedication and 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 unwavering support during the year under review.

For and on behalf of the Board of Directors

Dr. Habil F. Khorakiwala
Chairman
DIN: 00045608

Place : Mumbai
Date : 30th May, 2022

MANAGEMENT DISCUSSION & ANALYSIS

Global Pharmaceutical Industry & Economies: The second half of financial year 2021 showcased resilience of the Pharmaceutical Industry with significant outcome of efforts on vaccine development with multiple vaccine approvals. The launch of vaccination in some countries towards the end of FY 2021 raised hopes of an eventual end to the pandemic. Also this was a time which brought the whole world together as all the countries extended mutual all round support to each other on humanitarian grounds. Due to focussed medical research, medical advances and prioritizing investments in unmet medical areas, alternative therapies showed promise in areas of HIV, Oncology, CNS and other rare diseases.

As countries were battered with grave challenges, on the other hand they became self-reliant and explored new avenues and opportunities in various areas to sustain the growth. Climate change awareness gained traction globally with key powers injecting fresh urgency on need to undertake positive initiatives. Also renewables energy had a record year with significant flow of investments which marked the commitment of nations to shift to a more sustainable model for the long run. Despite the culture wars, creeping nationalism and rise of authoritarianism, the world has become more socially progressive.

Financial markets volatility increased in end of 2021. In what was believed as a ray of hope and to have subsided over the fourth quarter of FY 2021, the financial year started with havoc struck in the form of worst mutation of the Sars-COV-2 virus by way of Delta variant. The first quarter of Financial year 2021-22 saw the unprecedented outbreak of this variant which first got detected in India and spread across 179 countries through November 2021. Economies were forced to go under lockdown to contain the spread which dampened the already bleak economic prospects of revival. The variant proved to be one of the most devastating forms of the list of mutations leading to large number of hospitalizations & deaths and events believed to have deep and cascading impact across the entire economic chain. Industrial and other economic activity, consumption, mobility slowed down as countries braced themselves eventually to prioritize the healthcare infrastructure. Supply disruptions continued to weigh on activity. While on one hand economies were evolving from the onslaught of Delta in H1, H2 prospects continued to be dampened by the more infectious but less lethal Omicron mutation which expanded presence across the globe. It is noteworthy that the vaccination drive peaked across the globe during this period with the most encouraging results and this helped to contain the effects of the virus, its lineages and sub lineages.

While global economies are literally gasping to breathe a sigh of relief, Russia on 24th February 2022 waged war and aggression to invade Ukraine marking the steep escalation of the crisis which began in 2014. This has led economies on brink of "Perfect storm" of crisis. It has set in motion a three dimensional crisis on Food, Energy and Finance that is producing alarming cascading effects to an ecosystem which is already battered by COVID-19, Food Inflation & Shortages, Energy and commodity price increase, Debt distress, Blackouts and Climate change.

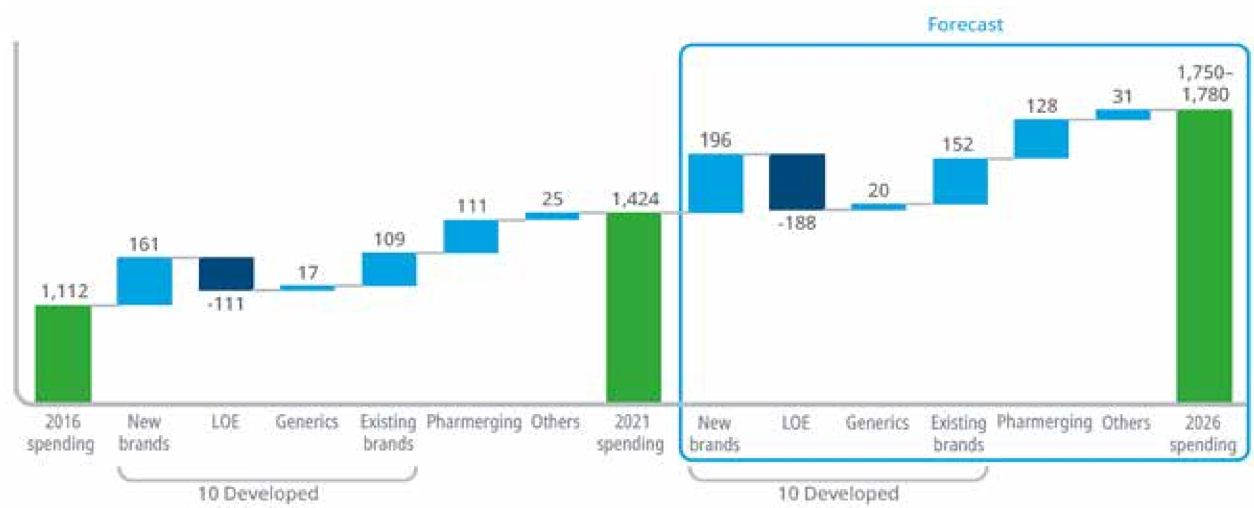
Lingering concerns: Surging infections on account of recurrent mutations continue to disrupt the path to economic recovery and consequently uncertainties still continues. Much remains to be done on the health and economic policy fronts to limit persistent damage from the severe contraction and ensure a sustained recovery. Containment efforts will be of key focus through FY 2023. Climate change, food and energy crisis, wide spread inflation and debt distress are serious concerns that are yet to be addressed with concrete solution failing which economies will trap into a downward spiral eventually making it extremely challenging to reverse the effects thereafter. The ongoing war between Russia and Ukraine triggered waves of destruction and an element of uncertainty with no respite as of date. The fallouts of the war have been severe with escalation of the situation and involvement of multiple economies and coalition, military alliances which is a situation last seen prior to World War II.

GLOBAL USE OF MEDICINES AND PROJECTED TRENDS

The COVID-19 pandemic has transitioned to a new phase with widespread use of vaccines and improved therapeutics, but the periodic emergence of viral variants and incomplete vaccine rollouts leaves significant uncertainty in the years ahead. The global spend on medicines for the year 2021 stood at ~USD 1.4Tn with the 5 year CAGR reflecting at 5.1%. However all countries are expected to have significantly low growth rate through 2026 as shown in table below. Growth in Global Medicine Spending will be lifted by stronger pharmerging market growth through 2026 and offset by developed market losses of exclusivity for original brands. New Brand Spending in developed markets projected to be similar to the last five years but represent a smaller share of spending. Global new active substances (NAS) launches are projected at an average of 54–63 per year, totaling 290–315 for five years through 2026. The impact of exclusivity losses will increase to $188 billion over the next 5 years mostly due to the availability of biosimilars. Global savings from biosimilars will have a significant impact on country medicine spending through 2026, estimated at a cumulative $215 billion. Specialty medicines will represent nearly 45% of global spending in 2026 and almost 60% of total spending in Developed markets.

	Spending in USD Bn			
	2021	2017-2021 CAGR	2026	2022-2026 CAGR
Global	**1423.5**	**5.1%**	**1750-1780**	**3-6%**
Developed	1344.9	4.9%	1635-1665	2.5-5.5%
US	580.4	4.9%	685-715	2.5-5.5%
Japan	85.4	-0.5%	73-93	(2)-1%
EU5	209.7	4.8%	245-275	3-6%
o/w UK	36.6	5.9%	46-50	4-7%
Pharmerging	**290.8**	**7.8%**	**470-500**	**5-8%**
China	169.4	6.1%	190-220	2.5-5.5%
Brazil	31.6	11.7%	47-51	7.5-10.5%
Russia	18.8	11.4%	27-31	7.5-10.5%
India	25.2	11.1%	37-41	8-11%
Low Income	**19**	**0.1%**	**21-25**	**2.5-5.5%**

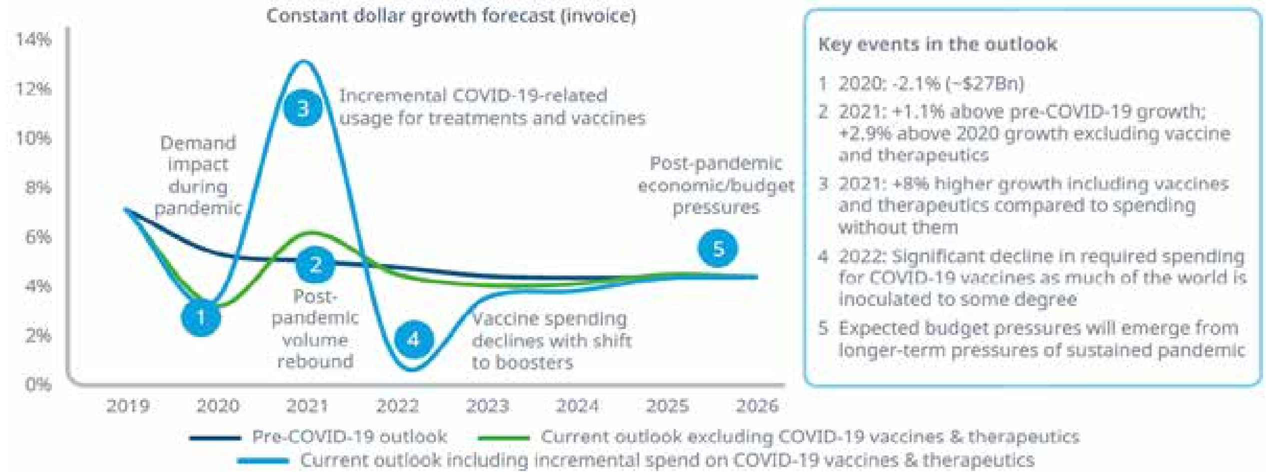
Source: IQVIA Market Prognosis, Sep 2021; IQVIA Institute, Nov 2021



Source: IQVIA Market Prognosis, Sep 2021; IQVIA Institute, Nov 2021

Impact of COVID-19 on use of Medicines

While the short-term impact from COVID-19 in 2020 and 2021 has been significant, the long-term impact on growth trends is more muted. Perhaps the largest uncertainty in the next five years will be the potential impact of economic factors on countries' budgeting and whether there will be shifts in policies regarding healthcare and medicine spending. Including estimates of higher spending growth from COVID-19 vaccines and lower spending from existing treatments due to disruptions from the pandemic, the five-year CAGR to 2025 is expected to be 4.6% compared to 4.5% if the pandemic had not taken place.

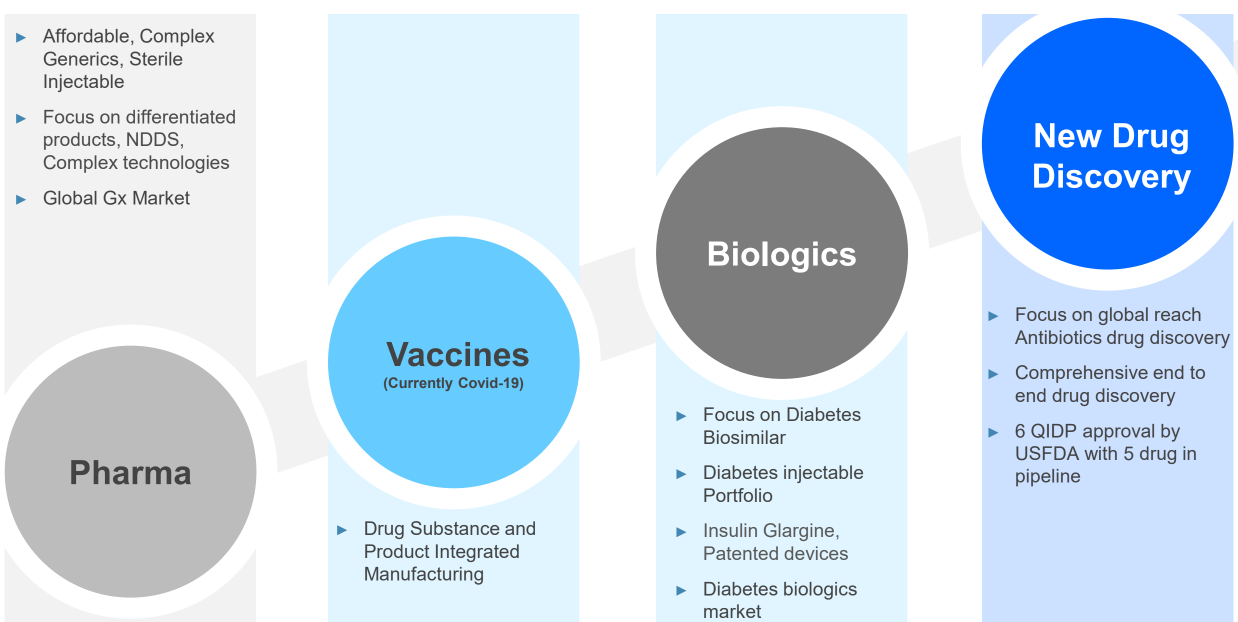


Source: IQVIA Market Prognosis, Sep 2021; IQVIA Institute, Nov 2021

Company Performance

With the tightening of monetary condition across the globe and soaring inflation across economies, managing liquidity and smooth business operations has been the key priority during the year and your Company has effectively managed its liquidity position and continued with its sustainable business model without compromising on the overall long term vision of the organization.

Your Company started the year with focus on aligning operations with the long term goals and its vision statement. Primary objectives were to drive robust growth, de-leveraging the balance sheet to achieve operational efficiency, ensuring reasonable flow of working capital into the Business and gradually shifting away from acute to strengthen chronic presence in its portfolio mix, strengthening overall New Chemical Entity (NCE) and vaccines bucket. Amidst turbulent time your Company stood steady and delivered its key priorities thus paving the way for long term sustainability. The below image represents the business ecosystem in which your Company operates which can also be interpreted as the near to long term growth drivers for the Company.



<u>Key developments that took place in your Company during the year have been summarized below:</u>

Wockhardt and Jemincare partner for novel respiratory antibiotic Nafithromycin

Wockhardt Bio AG – a subsidiary of Wockhardt Limited, ("Wockhardt") and Jiangxi Jemincare Group Company Limited, China ("Jemincare") have partnered for Wockhardt's novel patented antibiotic WCK 4873 (INN: Nafithromycin) in People's Republic of China, Hong Kong, Macau and Taiwan for the treatment of community-acquired bacterial pneumonia and other respiratory tract infections.

Under the terms of the definitive agreement, Jemincare will be responsible for exclusive development and commercialization of the Nafithromycin in the select markets. A joint steering committee is formed to oversee development and regulatory activities. Wockhardt will receive an upfront payment and will be eligible for regulatory-linked milestone payments. Further, Wockhardt would supply the product to Jemincare and will receive royalties on net sales. Wockhardt would transfer the manufacturing technology to Jemincare at mutually agreed time.

National Institutes of Health (NIH), USA to conduct human Phase 1 trial of Wockhardt's novel once-a-day MDR Gram-negative antibiotic WCK 6777

The National Institute of Allergy and Infectious Diseases (NIAID), part of the National Institutes of Health (NIH), United States of America (USA) is supporting a Phase 1 clinical trial of Wockhardt's novel once-a-day, multidrug-resistant (MDR) Gram-negative targeted antibiotic WCK 6777. The trial will be conducted at NIAID's Phase I clinical trial units in the USA. NIAID will sponsor the investigational new drug (IND) application for the study. The Food and Drug Administration (USA) has granted a Qualified Infectious Disease Product (QIDP) designation to WCK 6777, which signifies its ability to meet unmet medical need and facilitates faster approval process. Interestingly, WCK 6777 is a combination of zidebactam and ertapenem and, zidebactam has also been combined with cefepime, the combination designated as WCK 5222. WCK 6777 operates through a novel β-lactam enhancer action that enables it to overcome several clinically challenging resistance mechanisms in Gram-negative pathogens. Once-a-day therapeutic profile of WCK 6777 is expected to cut hospital admissions, facilitate early patient discharge and thus introduce patient-centered care for MDR infections. Through independent preclinical studies, WCK 6777 is shown to be active against several carbapenem-resistant Gram-negative pathogens such as Escherichia coli and Klebsiella, which are often the cause of community as well as hospital infections such as urinary tract infections (UTIs). In USA, UTIs alone accounts for about three million annual hospitalizations and are linked to hospital care cost exceeding 2.8 billion USD[1]. This trial is being funded in whole or in part under NAIID award number HHSN272201500005I.

Collaboration with Serum Life Sciences UK for manufacturing multiple vaccines in the United Kingdom

CP Pharmaceuticals Limited, a subsidiary of Wockhardt Limited and Serum Life Sciences UK have collaborated for delivering a global vaccine programme (~ 150 mn doses annually). A profit sharing arrangement has been made between the two parties. This collaboration is testament to the excellence and innovation that both parties bring to the global vaccine market. It will be instrumental in building long-term capacity in the UK. With this, your Company seeks to further bolster supply resilience and support the global rollout of vaccines. This deal signifies the role that your Company will now step up to play in the global supply of multiple vaccines protecting citizens against infectious diseases – which may include those used to immunise against COVID-19.

Successful fund raising through Rights Issue process:

During the year, your Company has issued and allotted 3,32,44,650 Equity Shares of the face value of 5 each for cash at a price of ₹ 225 per Equity Share (including premium of ₹ 220 per Share) aggregating to ₹ 7,48,00,46,250 pursuant to a Rights Issue of shares in the ratio of 3 (Three) Rights Equity Share for every 10 (Ten) fully paid-up Equity Share of the Company, held by the eligible Equity Shareholders on the Record Date i.e. 9th March, 2022. The Rights Issue opened on 15th March, 2022 and closed on 22nd March, 2022. The Rights offering by your Company received a very good response, and was fully subscribed. The Company received the approval from Stock Exchanges for listing on 29th March, 2022 and trading of Rights Equity Shares on 30th March, 2022. The Rights issue proceeds enabled reduction in Debt and improvement in Balance sheet.

Amidst the challenges, your Company was focused on deployment of funds and setting its investments priorities to ensure maximum return. Secondly it dedicated focus on the expense side with cost containment measures. Significant efforts to identify new revenue streams and enhance profitability and cash flow also translated into new partnerships into international geographies.

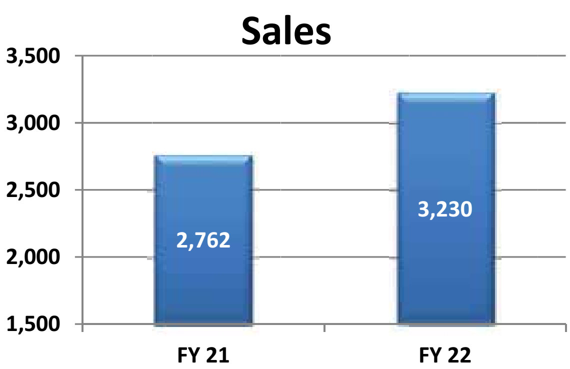
Business Performance:

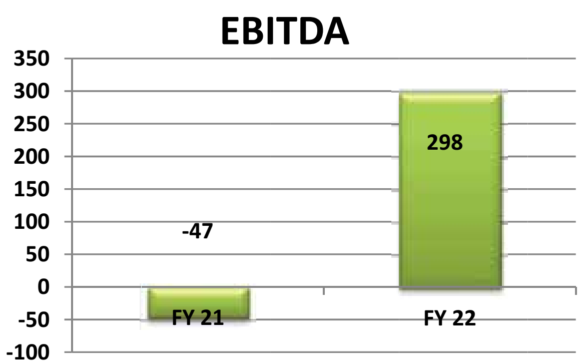
Domestic Business recorded healthy growth during the year mainly in the Diabetes segment and NCE portfolio. In addition your Company has also launched new products.

The ROW business continues to grow robust even amidst significant global challenges as focus remains on penetrating new geographies and adding new products in addition to winning tenders for existing portfolio.

The Company's International businesses continues to be under pressure because of aggressive channel consolidation and genericisation.

During the year, the Company's research & development expenses continued to grow keeping in view its strategic focus in Pharma, Biotechnology & NCE segment and was approximately 9.3% of consolidated revenue.

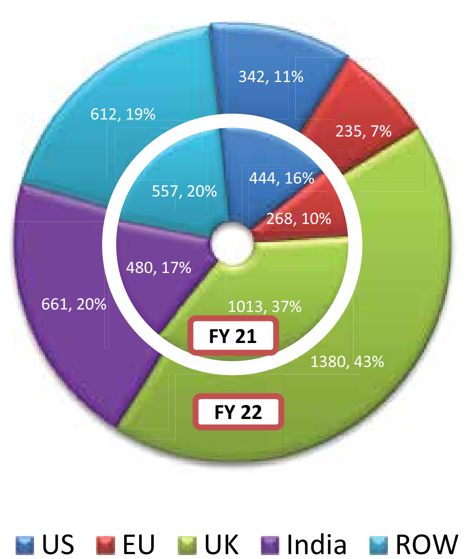




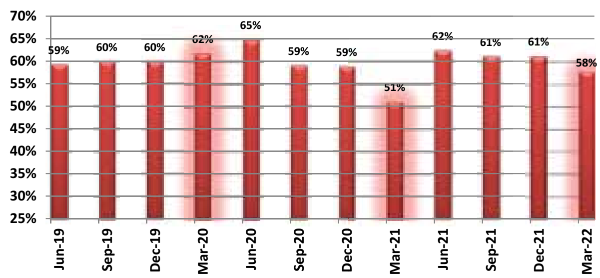
REVENUES

Revenue from Operations during the year was ₹ 3,230 crore compared to ₹ 2,762 crore in the previous year with an increase of 17%.

The revenue split of European Union Business contributed 7% (compared to 10% in FY 2021). UK operations contributed 43% (compared to 37% in FY 2021). India and Rest of the World contributed 39% (compared to 37% in FY 2021).



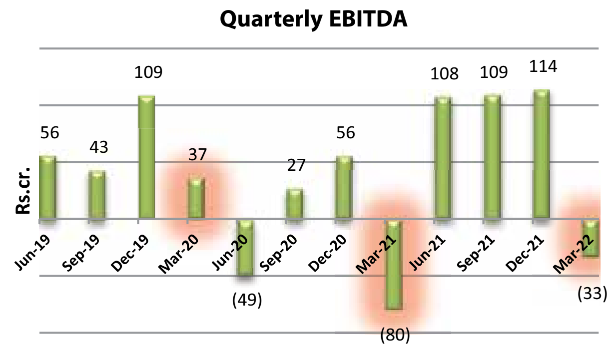
PROFITABILITY



The gross margins across all the quarters continues to be either above or in line with the historic past or long term average for the previous years. The increase is an outcome of changing business mix accompanied with other factors like portfolio swings in favour of high margin business to capture growth opportunities.

On Y-o-Y basis, EBITDA has been significantly higher vs previous year quarters. The increase is driven by high margin vaccine business, higher sales of NCE in India, high proportion sales from the India branded business.

The Company's strategic focus on R&D initiatives that are futuristic in nature, continue to impact the EBITDA as they are being expensed.



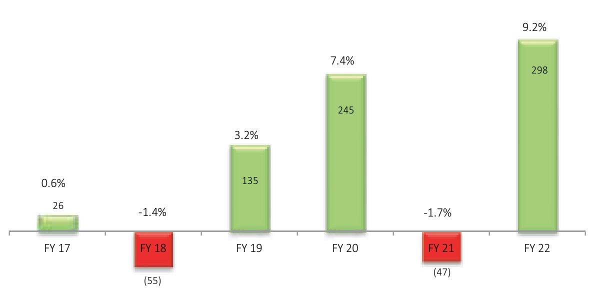
Particulars	FY 21	FY 22	Change %
Material Consumption	41.4%	39.2%	2.3%
Personnel Cost	25.8%	21.6%	4.1%
R&D	6.2%	4.4%	1.8%
Other Expenditure	28.3%	25.5%	2.7%
Interest	9.0%	9.3%	-0.2%
Depreciation	8.9%	7.6%	1.3%
Exchange loss/Gain	0.1%	0.0%	0.1%
Other Income	-4.8%	-0.6%	-4.2%
Exceptional Item Profit/(Loss)	48.1%	-5.7%	53.7%
Tax	8.2%	-4.1%	12.3%
Profits (Before NCI)	**24.9%**	**-8.6%**	**-33.6%**
NCI	0.1%	-1.1%	1.2%
Profits (After NCI)	**24.8%**	**-7.6%**	**-32.4%**

Material consumption for FY 2022 stood at ~ 39% of sales compared to ~ 41% in FY 2021.

The Company's emphasis on R&D continued during the year while adopting selective strategy for rationalizing R&D spends which is reflected in spends for FY 2022 at ~ 9.3% including Capital and Revenue expenditure. Personnel costs as % to sales were lower than PY at ~22%. Both costs were even lower in absolute terms.

Other expenses for FY 2022 were at ~ 26% of sales compared to ~ 28% in the previous year. Interest cost in absolute terms was higher by 20% compared to previous year.

Profits after Non-Controlling interest (NCI) declined from 25% in PY to -8% in FY 2022 due to exceptional items.

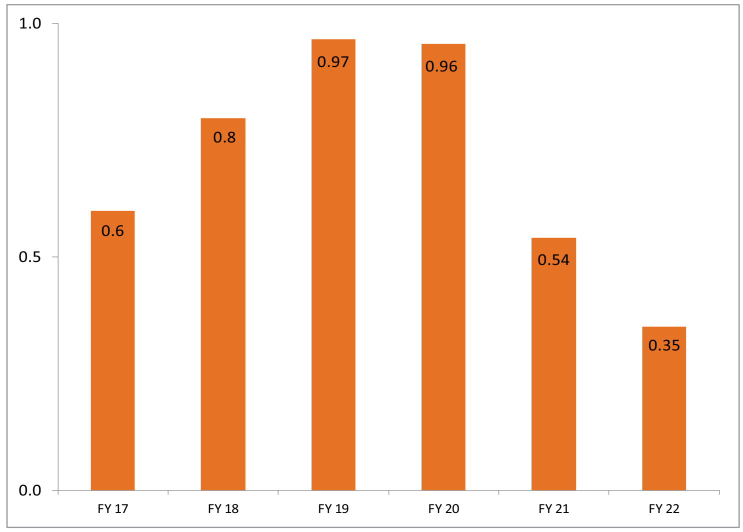


The EBITDA and corresponding margin recorded during the previous financial year was one of the best in past several years, an outcome of cost rationalisation initiatives and revenue growth from high margin segments.

Expanding market and therapeutic presence, realignment of portfolio mix to high margin segment, exploring new revenue generation streams and cost rationalisation measures remains the key focus in the near to mid-term.

DEBT AND LEVERAGE

The Net Debt to Equity ratio stood at 0.35 as on 31st March, 2022.



DEBT POSITION

INR in Crores

	FY 22	FY 21	Change	% Change
Secured	992	1,853	-861	-46%
Unsecured	813	473	340	72%
Total	**1,805**	**2,326**	**-521**	**-22%**

RESEARCH & DEVELOPMENT: COMPANY'S STRATEGIC CORE

The Company's continuous strategic focus in complex research in Pharma, Biosimilars & NCEs for past couple of years have shown encouraging results particularly in the field of Break through Anti-infective space.

GLOBAL ANTIBIOTIC MARKETS & ANTIMICROBIAL RESISTANCE LEVEL CRISIS

Antimicrobial Resistance (AMR) or the ability of infections to resist antibiotics to work against it could negate many of the medical breakthroughs of the last century. Previously curable infectious diseases may become untreatable and spread throughout the world. The report "Antimicrobial resistance: Global report on surveillance" showed that antimicrobial resistance is prevalent everywhere and has the potential to affect anyone, of any age, in any country. Antimicrobial resistance is putting at risk the ability to treat even common infections both in the community and hospitals and without an urgent and coordinated action the world is heading towards a post-antibiotic era.

Antimicrobial Resistance (AMR) is a major threat to human development as it affects our ability to treat a range of infections caused by bacteria, parasites, viruses and fungi. Treatments for a growing list of infections, including urinary tract infections, tuberculosis (TB), sepsis, gonorrhoea and food borne diseases have become less effective in many parts of the world because of resistance. In the absence of an effective antibiotics modern medical procedures, such as major surgery, organ transplantation, diabetes management and cancer chemotherapy will become a very high risk[1, 2].

Antimicrobial Resistance (AMR) and COVID-19 are the two pandemics the world is currently challenged with and that pose a significant threat to public health at a global scale. Infections resulting from antimicrobial resistant bacteria are expected to claim 10 million lives globally, per year by 2050 (O'Neill, 2014)[14]. COVID-19 and AMR are interacting health emergencies which can have mutual impact due to misuse of existing antimicrobials for the treatment of COVID-19 patients since a specific treatment is absent for the disease (Nieuwlaat et al., 2021)[15]. If the current trend of AMR goes unchecked, it would result in the shortage of available therapeutics in future and may even mark an end to the conventional drug discovery pipeline (Kaul et al., 2019)[16]. By the year 2050, infections caused by antimicrobial resistant bacteria are projected to cause 2 million deaths in India.

Burden of resistance to antibacterial drugs

The WHO declared that AMR is one of the top 10 global health threats and although often more silent than the COVID-19 pandemic, it can have equally devastating consequences.[17]

The overlooked pandemic of antimicrobial resistance: We have seen around 5 million deaths in the last two years owing to Covid-19 pandemic. Over 98% Covid-19 patients were treated with antibiotics. However 50% mortality in Covid-19 cases were linked to bacterial infections. A recent study estimates 4.95 million deaths associated with bacterial AMR globally in 2019 alone[18]. This draws our attention to the often neglected silent pandemic of antimicrobial resistance in terms of unmet needs for novel antibiotics.

The overall health and economic burden resulting from acquired AMR cannot be fully assessed with the presently available data, however some estimates of the economic effects of AMR have been attempted, and the findings are disturbing. In a WHO report on *Antimicrobial Resistance: Global Report on Surveillance (2014)*, the yearly cost to the US health system alone has been estimated at US $21 to $34 billion[3] dollars, accompanied by more than 8 million additional days in hospital[4]. Since AMR has effects far beyond the health sector, it was projected, nearly 10 years ago, to cause a fall in real gross domestic product (GDP) of 0.4% to 1.6%, which translates into many billions of today's dollars globally[3].

The CDC in its 2019 report on Antibiotic Resistance Threats in the United States estimates that 2.8 million antibiotic-resistant infections occur each year in US alone[4].

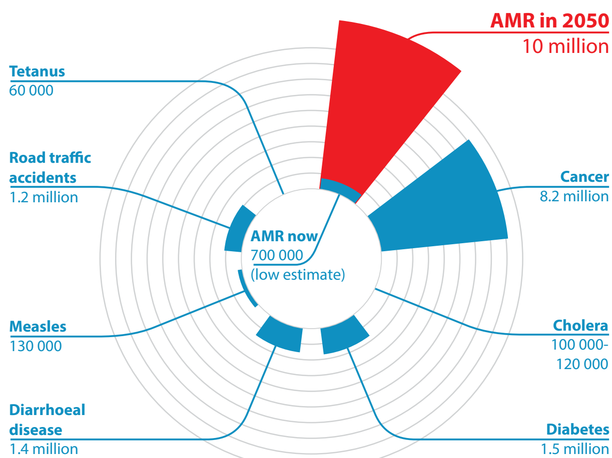
The evidence obtained shows that AMR has a significant adverse impact on clinical outcomes and leads to higher costs due to consumption of health-care resources.

Infections caused by antimicrobial resistant strains of bacteria are unlikely to respond to standard treatments resulting in prolonged illness and a greater risk to health. For example, MRSA (Methicillin-resistant Staphylococcus aureus) is estimated to cause 64% more deaths than infections caused by a non-resistant strain of the bacteria[5] as per a report published in 2015 (*The Antibiotic Resistance Crisis- by C.Lee Ventola*). Antimicrobial resistant strains of bacteria are also more likely to be passed on to other people because those infected are sick for longer. The O'Neill Review (*The Review on Antimicrobial Resistance, December 2014*) estimated that the global impact of AMR could be 10 million deaths annually by 2050, and cost up to US $100 trillion in cumulative lost economic output[6]. The nature of this global problem emphasises the challenge that the UK faces when tackling AMR in the food supply chain.

The cost of health care for patients with resistant infections is higher than care for patients with non-resistant infections because of longer duration of illness, additional tests and the need for more expensive medicines. The rise in resistance not only impedes our ability to treat infections, but has broader societal and economic effects, and endangers the achievement of the Sustainable Development Goals[1,7]. The direct and indirect impact of AMR will mostly fall on low and middle-income countries, which often lack the infrastructure, and human and financial resources to adequately counter drug resistance epidemics[7]. The consequences of AMR are aggravated in volatile situations such as civil unrest, violence, famine and natural disasters, as well as in settings with poor health care services or without access to health care[2, 8].

Antimicrobial resistance (AMR) is a widely recognised and growing global public health problem. Though there are no exact figures that capture the true global burden of AMR, let alone in low- and middle-income countries (LMICs), latest estimates from the *Antimicrobial – Resistance – Benchmark 2018*, show that AMR causes over 700,000 deaths annually worldwide[5]. At the same time, millions of people lack access to much needed antimicrobial medicines for curable infections, which is evident by the 445,000 community-acquired pneumonia deaths that occur in children under five[9]. The issue of AMR and lack of access must be addressed in tandem. Steps to increase access must include measures to prevent resistance, and steps to curb resistance must include measures to enable appropriate access. Addressing both requires a coordinated effort from various stakeholders, not just the government, but also across the healthcare and farming industries, and the development and global health communities.

Deaths attributable to AMR every year



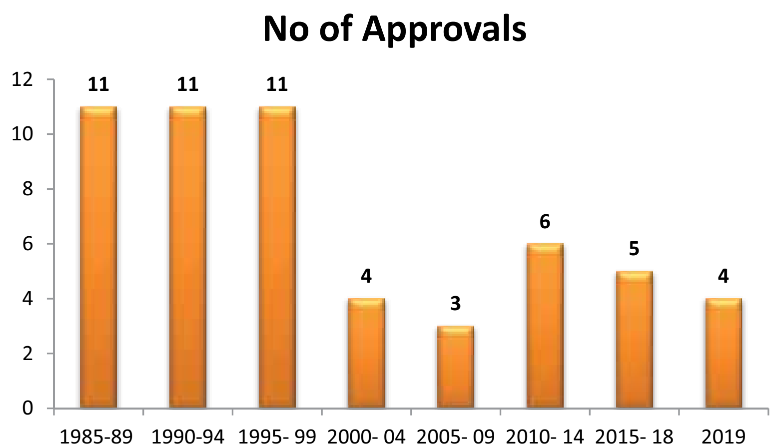
Source: The Review on Antimicrobial Resistance, Jim O'Neill, 2016

The worst-case scenario in the coming would be, world might be left without any potent antimicrobial agent to treat bacterial infections. The global economic burden would be about US $120 trillion (US $3 trillion per annum), which is approximately equal to the total existing annual budget of the US health care. Overall, the global population would be dramatically affected: By the year 2050, 444 million adults would have died or not been born in this scenario.[10,20]

Growing Demand

The global antibiotic market was valued at USD 41 Bn in 2020 and is expected to grow at a compounded annual growth rate of 4.5% from 2021 to 2028[11]. Between 2002 and 2010, global consumption of antibiotics increased by 36%, and three quarters of this increase was accounted for by Brazil, Russia, India, China and South Africa (BRICS)[5]. Growing demand coupled with poor surveillance and stewardship is likely to further drive the emergence of resistant strains, particularly in high-burden areas.

Significant Decline in Antibacterial Drug Approvals[3,12]



There has been a steady decline in the number of the new antibacterial drugs approved and the decline in new antimicrobial agents along with the need to manage an increasingly complex health care environment may require even more robust activity and innovative solutions.

In the near future, the next challenge will be to identify newer agents for the treatment of multidrug-resistant Gram-negative pathogens which are emerging at a rapid rate.

It is essential to take appropriate measures to preserve the efficacy of the existing drugs so that common and life-threatening infections can be cured.

Facts about Antibiotic Resistance[13] (Antibiotic Resistance Threats in the United States, 2013- by Centers for Disease Control and Prevention -USA)

- Antibiotic resistance is one of the most urgent threats to the public's health.
- Every time a person takes antibiotics, sensitive bacteria are killed, but resistant ones may be left to grow and multiply.
- Overuse of antibiotics is a major cause of increases in drug-resistant bacteria.
- Overuse and misuse of antibiotics threatens the usefulness of these important drugs. Decreasing inappropriate antibiotic use is a key strategy to control antibiotic resistance.
- Antibiotic resistance in children and older adults is of particular concern because these age groups have the highest rates of antibiotic use.
- Antibiotic resistance can cause significant suffering for people who have common infections that once were easily treatable with antibiotics.
- When antibiotics do not work, infections often last longer, cause more severe illness, require more doctor visits or longer hospital stays and involve more expensive and toxic medications. Some resistant infections can even cause death.

AMR is a global health security threat that requires concerted cross-sectional action by governments and society as a whole.

The overuse of antibiotics clearly drives the evolution of resistance. Epidemiological studies have demonstrated a direct relationship between antibiotic consumption and the emergence and dissemination of resistant bacteria strains. In emerging economies like Middle East, Latin America, Asia – Pacific are important for the future growth drivers and one can expect the rising trend to continue for the next decade amidst unanimous shift in focus to put issues pertaining to AMR and Antibiotic access on the world priority list.

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OPPORTUNITIES

Global markets continue to offer a plethora of opportunities because of transition in the form of lifestyle shift and related diseases in these countries. In view 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. Notably your Company has 6 molecules (NCE) as on date which are at various stages of development.

The Covid-19 induced pandemic which started in year 2020 and its ongoing effects have opened up sea of opportunities for pharma companies with nearly almost all major pharma companies leveraging either their R&D capabilities or Manufacturing strengths. Many R&D based pharma companies are into race for vaccines development while those with stronger manufacturing capabilities and capacity are getting into CMO arrangements to reap the near to long term benefits of the same. India is expected to become the second largest COVID-19 vaccine manufacturer after US, given its capacity to produce for its local population and to export to other countries. India's track record for vaccine manufacturing predates the pandemic, which means that scalable plans for contract manufacturing to meet global demand is as good as an industry given.

The pandemic has gone long way to disrupt the global supply chain with too many countries focussed on single location for sourcing of supplies. As a result of the disruption in supplies, economies have realised the importance of localisation and decentralisation. This has increased considerable opportunities for countries with dominant API manufacturing capabilities as well as robust CMO infrastructure. Importantly such initiatives are being backed by government incentive schemes and investment back up.

The rising costs and regulatory pressure in developed markets are forcing many global pharmaceutical companies to reduce their internal capacities in Research and Development (R&D), manufacturing, etc. and turn to Contract Research & Manufacturing Services (CRAMS), and outsourcing of Research and Clinical trials to developing Countries. These strategies help multinational companies reduce costs, increase development capacity, and focus on their core profit makings activities, such as drug discoveries and marketing, rather than on manufacturing. India, with a large patient population and genetic pool, is fast emerging as a preferred destination for such multinationals seeking efficiencies of cost and time. The country's CRAM industry offers a significant cost-quality proposition, with potential savings of about 30-40 percent compared to western markets such as the US and Europe.

Technology trends are driving a shift towards patient-centric healthcare, as evidenced by wearable biometric devices and telemedicine. This trend is resulting in more informed patients who are likely to take more active role in any treatment plan their doctor may prescribe. Patient-centric care can provide challenges and rewards for the pharmaceutical industry. In the near future, the direct consumer may become the pharmaceutical company's most strategic partner. The rise of consumerism provides an interesting dynamic for competition in this industry. The pharmaceutical industry will be driven by three levels of integration: products and services as well as data and technology. These three aspects will have a positive impact on the patients' experience, as they will allow to adapt the medicines and treatments to each patient. This will change the approach to Clinical R&D as it will be based on real time accurate information the result of which would not just be medicine but more than that.

Disruptive technologies and emerging trends such as robotics, artificial intelligence, 3D printing, precision medicine or patient design will impact the manufacturing and distribution of pharmaceuticals. In order to prepare successfully for a better future of healthcare, the pharma industry has to embrace new technologies and put a greater focus on prevention and digital health.

RISK & CONCERNS – OVERALL CHALLENGES – WAY AHEAD

Last year has witnessed extreme volatility on macro-economic parameters globally. The Novel Coronavirus (COVID-19) and its mutations has infected millions of people in more than 150 countries - a scourge confronting all of humanity, impacting lifestyles, businesses, economies, and the assumption of common well- being. Recurring waves of infections surpassing its earlier peaks have triggered element of uncertainty in many countries shadowing the already bleak prospects of economic recovery around the globe.

Elevated inflation is expected to persist for longer than envisioned, with ongoing supply chain disruptions and high energy prices continuing in 2022. Assuming inflation expectations stay well anchored, inflation should gradually decrease as supply-demand imbalances wane in 2022 and monetary policy in major economies responds. Risks to the global baseline are tilted to the downside. The emergence of new COVID-19 variants could prolong the pandemic and induce renewed economic disruptions. Moreover, supply chain disruptions, energy price volatility, and localized wage pressures mean uncertainty around inflation and policy paths is high. As advanced economies lift policy rates, risks to financial stability and emerging market and developing economies' capital flows, currencies, and fiscal positions—especially with debt levels having increased significantly in the past two years—may emerge. Other global risks may crystallize as geopolitical tensions remain high, and the ongoing climate emergency means that the probability of major natural disasters remains elevated.

With the pandemic continuing to maintain its grip, the emphasis on an effective global health strategy is more salient than ever. Worldwide access to vaccines, tests, and treatments is essential to reduce the risk of further dangerous COVID-19 variants. This requires increased production of supplies, as well as better in-country delivery systems and fairer international distribution. Monetary policy in many countries will need to continue on a tightening path to curb inflation pressures, while fiscal policy—operating with more limited space than earlier in the pandemic—will need to prioritize health and social spending while focusing support on the worst affected. In this context, international cooperation will be essential to preserve access to liquidity and expedite orderly debt restructurings where needed. Investing in climate policies remains imperative to reduce the risk of catastrophic climate change.

Even before the onset of this pandemic, the global economy was confronting turbulence on account of disruptions in trade flows and attenuated growth. The situation has now been aggravated by the demand, supply and liquidity shocks that COVID-19 has inflicted. Once the pandemic is controlled, the shape and speed of the recovery in the US and China will be key factors determining the nature and traction of global economic recovery.

While your Company has been focusing in India and the rest of world on securing the population from health hazards and on providing relief, especially to the poor, we also need to think long-term - to secure the health of the economy, the viability of businesses, and the livelihoods of people. Apart from providing robust safety nets for the vulnerable, ensuring job continuity and job creation is the key. Also there is an urgent need to mobilize resources to stimulate the economies.

Given the events of economic activity halts and lockdowns in many parts across the globe has created shock both on demand side and Supply side and led to imbalances in almost each and every corner which has a huge cost associated with it and the biggest challenge is to ensure that economies get back on track and operations resume normally while keeping a robust check and slew of measures to prevent relapses of new waves of COVID-19 infections. Ensuring more than adequate supplies of effective vaccines and covering masses through vaccination drives is perhaps the biggest challenge in the time to come which would require collaborated efforts from Pharma sector on one side who would provide the R&D, manufacturing infrastructure on one hand while governments would need to co-ordinate and set the platforms to ensure deliveries.

It would not be wrong to mention that customer expectations are rising and scientific productivity is lackluster and stagnant which poses bigger challenge as to how the mismatch would be addressed. There is dire need of developing and researching new medicines that can cure or prevent incurable complex diseases of the future. The ongoing pandemic is a perfect example of how unpreparedness for the worst could be disastrous in today's world.

In the back drop of all the challenges and ongoing issues, there are seven ways in which the business landscape will shift, not only in India, but the world around. Leveraging these will certainly help navigate the economically and socially viable path to the next normal:

1) Continuous Innovations and think beyond the unexpected.
2) Shift towards localization.
3) Push of Digital wave.
4) Cash being new king for Businesses.
5) Shift towards variable cost models.
6) Supply Chain resilience.
7) Building agility.

Apart from the above, 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.

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. 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, new revenue streams and better brand management.
Your Company is a global player and is not insulated against such external risks despite 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 or where it is exposed to international transactions. This inherent risk will continue to pose challenges to a Company like yours that has a significant share of revenues from cross border operations.

New Drug Discovery Programme of Wockhardt

Your Company continues to focus on New Drug Discovery Program to bring novel antibiotics to market for catering to unmet needs in the area of resistant Gram-positive and Gram-negative infections where there is dearth of medicine across the world.

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. This is further buttressed by a recent publication in reputed journal the Lancet which estimated the annual global mortality touching to 4.95 million due to antibiotic resistant infections. The Company with its array of drugs under development in this space aims to counter these diseases in both regulated and unregulated markets.

Current status of QIDP products: Spurring Clinical development of NCEs in different territories:

WCK 5222: An abridged Phase 3 global study protocol finalized in consultation with US FDA EMA and Chinese FDA (NMPA). The study which was expected to commence in second half of 2020 could not be initiated due to COVID-19 pandemic. With pandemic in most part of the world showing receding trend, the study is expected to start in the second half of 2022.

WCK 4282: A leading global infectious disease expert opined in 2021 that WCK 4282 has genuine potential to be workhorse antibiotic as a superior replacement to ceftriaxone and piperacillin-tazobactam. After the start of WCK 5222 study, Phase 3 study for WCK 4282 is estimated to commence in December 2022.

WCK 4873: The Phase 3 Study recommenced in February 2022 following the availability of clinical sites previously occupied by COVID patients.

WCK 771 & WCK 2349: Since their launch, both Emrok & Emrok O have been gaining wider clinical acceptability by virtue of them addressing unmet need in the management of serious Gram-positive infections with about 20,000 patients already treated with these novel drugs.

WCK 6777: World's most prestigious and the largest bio-medical research organization, the National Institutes of Health (NIH, USA) has recognized the clinical significance of WCK 6777 and accordingly selected for the conduct of Phase 1 study. The study will be undertaken at NIH's Phase 1 clinical trial unit in consultation with two top notch US infectious disease experts Dr Robert Bonomo and Dr Thomas Lodise.

Your Company has strong focus in developing intellectual property and filed 41 patents during the year under review. During the year, 40 patents were granted of which 36 patents were for NCEs. Thus, year after year an impressive success rate for the grant of NCE patents is maintained. As on 31st March, 2022, combined pool of Company's patent has reached 3,228 filings and 803 grants.

Biotechnology Research of the Company

Development of Biosimilars and Biobetters is our Biotech R&D team's primary focus area. Biotechnology is viewed by global experts as the pharmaceutical technology of the future, and we have a very strong commitment to this field. Our highly accomplished multidisciplinary team of committed biotechnologists, biochemists, biophysicists, biochemical and chemical engineers as well as protein chemists are poised to develop biological drugs to address unmet clinical needs.

Biotechnology R&D team of the Company has succeeded in developing and commercializing Recombinant Hepatitis-B Vaccine (Biovac-B), Recombinant Human Erythropoietin (WEPOX), Recombinant Human Insulin (WOSULIN), Recombinant Insulin Glargine (GLARITUS), which have all been well received in the market.

Your Company has a robust pipeline of recombinant therapeutic proteins for major healthcare needs. Out of these, Recombinant Interferon Alfa 2b and PEGylated G-CSF have already been approved for manufacturing and marketing in India. The overall focus is development and commercialization of antidiabetic Biosimilar products. Other products at different stages of development are: Recombinant Insulin analogues (Insulin Aspart, Insulin Lispro), Recombinant Darbepoetin, GLP-1 agonists etc. Pharmacokinetic and Pharmacodynamic (PK/PD) study for Insulin Aspart has been initiated and is estimated to be completed in FY22-23.

E. coli based platform technology for Insulin 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 in the existing plant and with DSP up-gradation a capacity of >6 tons/annum is achievable. The platform technology offers opportunity with surmountable challenge to replicate the same for other insulin analogues. E. coli based platform technology for Insulin Aspart has also been successfully scaled up in project E.

Biobetters:

Insulin for insulin resistant/higher BMI diabetic patients:
In-house developed Biobetter Recombinant Human Insulin (200IU/mL): Consegna R and Consegna 30/70, have already been launched in India. With 50% volume reduction per dose, Consegna which promises reduced pain and better compliance has been well received in the market.

Biotechnology team is also developing other Biobetter drugs like combination of insulin and insulin analogues; insulin/insulin analogues and GLP-1 agonist for addressing the patients' needs, particularly of insulin resistant/higher BMI diabetic patients. Preclinical study for one of the Insulin/Insulin Analogue biobetter drug products is planned to be initiated in 2022.

Vaccines:

During the covid-19 pandemic, your Company successfully transferred non-replicating viral vector based covid-19 vaccine technology and carried out process validation at manufacturing facility. The Company also successfully obtained the necessary regulatory approvals for manufacturing and export of the Covid-19 vaccine.

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.

e. Expanding Revenue streams by adding New Partnerships and tie-ups to manufacture COVID-19 Vaccines.

SEGMENT-WISE PERFORMANCE

The Company is exclusively into pharmaceutical business segment.

DETAILS OF RATIOS

a)	Interest coverage ratio	:	(0.2) to 1.57	- Favorable
b)	Operating profit margin	:	(2%) to 9%	- Favorable
c)	Net profit margin	:	25% to (9%)	- Adverse
d)	Return on Net worth	:	18% to (7%)	- Adverse
e)	Debtors turnover ratio	:	2.51 to 3.52	- Favorable
f)	Inventory Turnover ratio	:	1.51 to 1.61	- Favorable
g)	Current Ratio	:	0.78 to 0.81	- Favorable

There was a positive movement in the ratios such as Interest coverage, Operating profit margin, Debtors turnover and Inventory turnover ratios, current ratio.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

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

Internal Financial Controls laid out by the Company in accordance with the requirement of the Companies Act, 2013, were tested by Management using a self-assessment Tool implemented with the assistance from M/s Ernst and Young.

The Company has adopted a co-sourced model for internal audit. The internal audit team is assisted by M/s. Ernst & Young who carried out internal audit reviews in accordance with the approved internal audit plan. Internal audit team reviews the status of implementation of internal audit recommendations. Summary of Critical observations, if any, and recommendations under implementation are reported at quarterly Audit Committee meetings.

RISK MANAGEMENT FRAMEWORK

During the year, your Company has transitioned to a "Risk Enabled Performance Management" with the help of Ernst & Young with an overall risk management practices across the organization integrated with business planning. The overall objective of the framework was:

- Assess the impact of changes that have occurred in the business landscape over the past one year including key events, revisit identified risks impacting the Company, include emerging risks such as those arising out of COVID 19 and remove redundant ones.
- Assess importance and implication of applicable risks and identify key risks requiring attention and monitoring by leadership team. Strengthen the risk culture of the organization by enhancing awareness and shared understanding of the purpose of risk management across Wockhardt.
- Review the risk management structure, risk policy and framework for periodic review of risk events and mitigation plans.
- Satisfactorily meet compliance obligations relating to risk management that are applicable to the Company.

HUMAN RESOURCES

Wockhardt's global talent base, as on March 31st, 2022 stands at ~ 4000.

Wockhardt recognizes that Associates are the most valuable assets and always encourage them to meet business requirements while meeting their career aspirations. The Human Resource (HR) division mainly focus on supporting the business in achieving sustainable and responsible growth by building the right competencies and capabilities in the organization. It continues to emphasize on progressive Human Relations policies and building a high-performance ethos with a progressive mind-set where Associates are Empowered, Engaged, Efficient and Productive.

At Wockhardt, 'Life Wins' is a simple yet profound theme that defines our efforts, reflects our goals, highlights our aspirations and characterises our business.

Our 'One Wockhardt' motto creates a unique value driven, high performance and business driven work culture. At Wockhardt, HR plays a central role in implementing the organisation's vision and strategy by aligning HR to the business. Better HR policies provide more innovative and forward looking HR focus and initiatives. Promoting diversity, learning environment and work-life balance establish a credible and integrated employee performance goal setting. We are very happy to share that Wockhardt has been adjudged as recipient of prestigious MAHARASHTRA STATE BEST EMPLOYER BRAND AWARDS 2021 as a Winner by World HRD Congress across Industries.

Our leadership values of Ownership, Respect, Trust, Integrity are the fundamental principles on which we have built our business. We truly believe that the progress of our associates and business are interlinked and thus created a work culture that offers a unique combination of our core values and functional proficiency.

At Wockhardt, we believe that associates are the key players in business success and sustainable growth. In order to provide meaningful opportunities to our associates for learning and growth, we have strengthened our internal talent management pool by launching various career programs for our field associates, 'Emerge', 'Surge' and 'Upsurge' which provides career visibility to development to our sales force.

Using psychometric tests for senior level hiring has helped Company's understanding of employees, potential strengths and particular characteristics.

The Companies "Whistle Blower Policy" encourages the Whistle Blower to report genuine concerns or grievances of illegal, unethical or inappropriate events (behaviour or practices) that affect Company's interest / image. It also provides adequate safeguard to the Whistle Blower against victimization. The policy is available on the Company's website at www.wockhardt.com

INDEPENDENT AUDITOR'S REPORT

To the Members of Wockhardt Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **Wockhardt Limited** (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") which comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022, of its consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports of other auditors on separate financial statements of components audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Revenue recognition

The Key Audit Matter	How the matter was addressed in our audit
The Group recognises revenue from sale of goods when control over the goods is transferred to the customer. The actual point in time when revenue is recognised varies depending on the specific terms and conditions of the sale contracts entered into with customers. Revenue is a key performance indicator of the Group and there is risk of overstatement of revenue due to fraud resulting from pressure to achieve targets, earning expectations or incentive schemes linked to performance. Group's assessment of accrual towards returns, service level penalties, chargeback, discount and allowances require estimation and judgement and change in these estimates can have a significant financial impact. Given the risk of overstatement of revenue due to fraud, estimates and judgement required to assess various accruals, this is a key audit matter. Refer note 3(j) of accounting policy and note 25 in consolidated financial statements.	Our audit procedures included the following: • We have assessed the Group's accounting policies relating to revenue recognition by comparing with applicable accounting standard. • We have evaluated the design, implementation and operating effectiveness of the Group's internal control over revenue recognition and measurement of returns, service level penalties and allowances. • We have examined the samples, selected using statistical sampling, of revenue recorded during the year with the underlying documentation. • We have performed cut off procedures by selecting samples, using statistical sampling, of revenue recorded as at the period end. • We have verified Group's assessment of accruals of chargebacks, rebates, discounts, returns, service level penalties and allowances in line with the past practices to identify bias. • We have examined the manual journals posted to revenue during the year to identify unusual or irregular items. • We have assessed the adequacy of the disclosures made in respect of revenue from sale of goods.

Assessment of recoverability of carrying value of certain Property, Plant and Equipment and Capital Work in progress

The Key Audit Matter	How the matter was addressed in our audit
Certain property, plant and equipment of the Group are affected by lower capacity utilization. Further, the Group has made investments in certain projects which has been deferred. These are lying in capital work in progress. The Group's investment in these facilities was made considering market feasibility and potential of existing / future products. As at 31 March 2022, carrying value of such Property, Plant and Equipment and Capital Work in Progress amounting to ₹ 556 crores and ₹ 58 crore respectively. Given the significance of carrying value and judgement involved in assessing the recoverability of such facilities, this is considered to be a key audit matter. Refer note 3(d) and 3(q) of accounting policy and note 4, 39 and 45 in consolidated financial statements	Our audit procedures included the following: • We have assessed the Group's accounting policies relating to impairment by comparing with applicable accounting standard. • We have inquired the progress made on remediation work (for facilities impacted due to regulatory approvals) with key managerial personnel. • We have verified the reports of physical verification of property, plant and equipment and capital work in progress by the Company. • We have assessed the capabilities and objectivity of the experts (internal and external) used by the Group in the process of verification of assets, assessing the usability of assets and determining recoverable amounts, where required. • We have evaluated the basis applied by the Group in determining cash generating unit for impairment testing purpose. • We have challenged the significant assumptions considered by the Group while making impairment assessment with respect to revenue forecast, margin and discount rate. • We have involved our valuation specialists to assess the valuation methodologies applied by the Group to determine the recoverable amount for certain assets.

Recoverability of carrying value of Intangible assets under development

The Key Audit Matter	How the matter was addressed in our audit
The Group has intangible assets under development amounting to ₹ 953 crores as at 31 March 2022. The carrying value of such intangible under development is tested for recoverability, based on the estimates future cash flows, market conditions, etc. Changes in these assumptions could lead to an impairment to the carrying value of these intangible under development. Given the significance of the amount involved and the estimates and judgement involved in assessment and their recoverability, this is considered to be a key audit matter. Refer note 3(b) of accounting policy and note 6 in consolidated financial statements.	Our audit procedures included the following: • We have evaluated the criteria for capitalisation of development expenditure with those set out in the applicable accounting standard. • We have inquired the progress made on NCE development with the key managerial personnel. • We have inspected the correspondences with regulatory authorities, third parties, scientific documentation and the market release made by the Company. • We have evaluated the Group's assessment of estimated future cash flows relating to the NCE project and their recoverability plans. • We have tested, on a sample basis, the project related expenditure with underlying documents.

Assessment of recoverability of the carrying value of Goodwill

The Key Audit Matter	How the matter was addressed in our audit
The Group has Goodwill amounting to ₹ 891 crores as at 31 March 2022 in respect of acquired businesses. The carrying value of Goodwill will be recovered through future cash flows. There is inherent risk of impairment in case future cash flows do not meet the Group's expectations. Given the significance of carrying value, inherent complexity of accounting requirements and significant judgement required in determining the assumptions to estimate recoverable amount, this is considered to be a key audit matter. Refer note 3(g) of accounting policy and note 5 in consolidated financial statements.	Our audit procedures included the following: • We have assessed the Group's accounting policies relating to impairment of Goodwill by comparing with applicable accounting standards. • We have evaluated the design, implementation and operating effectiveness of the Group's internal control over impairment assessment of goodwill. • We have challenged the significant assumptions considered by the Group while making impairment assessment with respect to revenue forecast, future cash flows, margins, terminal growth and discount rates. • We have involved our valuation specialists to assess the valuation methodologies applied by the Group. • We have performed a sensitivity analysis of the key assumption applied to determine the recoverable value and considered the resulting impact on the impairment testing. • We have evaluated the adequacy of disclosures made in the consolidated financial statements with respect to key assumptions and judgements.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of twenty two (22) subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 6,906 crores as at 31 March 2022, total revenue (before consolidation adjustments) of ₹ 2,632 crores and net cash inflows (before consolidation adjustments) of ₹ 44 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

(b) The financial information of four (4) subsidiaries, whose financial information reflect total assets (before consolidation adjustments) of ₹ 102 crores as at 31 March 2022, total revenue (before consolidation adjustments) of ₹ 0 crores and net cash flows inflow (before consolidation adjustments) amounting to ₹ 0 crores for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors and the financial information certified by the Management.

(c) The consolidated financial statements as at and for the year ended 31 March 2022 have been translated into United States dollars solely for the convenience of the reader. We have audited the translation, and, in our opinion, such financial statements expressed in Indian rupee have been translated into United States dollars on the basis set forth in Note 2(c) to the consolidated financial statements. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1 As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 (A) As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the "Other Matters" paragraph:

a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group. Refer Note 46 to the consolidated financial statements.

b) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022.

c) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2022.

d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies incorporated in India or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiary companies incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies incorporated in India shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The Holding Company and its subsidiary companies incorporated in India have neither declared nor paid any dividend during the year.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us the remuneration paid during the current year by the Holding Company and its subsidiary companies in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies in India is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Koosai Lehery
Partner
Membership No: 112399

Place : Mumbai
Date : 30 May 2022
ICAI UDIN: 22112399AJWDUX5985

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) According to the information and explanations given to us, of the following companies incorporated in India and included in consolidated financial statements, has qualification by the respective auditors in its report under Companies (Auditor's Report) Order, 2020 ('CARO'):

Name of the entities	CIN	Holding Company/ Subsidiary	Clause number of the CARO report which is unfavourable or qualified or adverse
Wockhardt Limited	L24230MH1999PLC120720	Holding Company	Clause i(c) and xvii

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

Koosai Lehery
Partner
Membership No: 112399

Place : Mumbai
Date : 30 May 2022
ICAI UDIN: 22112399AJWDUX5985

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF WOCKHARDT LIMITED FOR THE YEAR ENDED 31 MARCH 2022

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph 2A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Holding Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to consolidated financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial controls with Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Koosai Lehery
Partner
Membership No: 112399

Place : Mumbai
Date : 30 May 2022
ICAI UDIN: 22112399AJWDUX5985

CONSOLIDATED FINANCIAL STATEMENTS - BALANCE SHEET

As at March 31, 2022

	Notes	As at March 31, 2022 ₹ in crore	As at March 31, 2022 USD in million Supplementary information-convenience translation (See Note 2(C))	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million Supplementary information-convenience translation (See Note 2(C))
ASSETS					
NON-CURRENT ASSETS					
Property, Plant and Equipment	4	**1,908**	**251**	1,719	235
Right of use assets	4	**563**	**74**	592	81
Capital work-in-progress	4	**389**	**51**	603	82
Goodwill	5	**891**	**118**	904	124
Other Intangible Assets	6	**100**	**13**	128	18
Intangible assets under Development	6	**953**	**126**	776	106
Financial Assets					
Investments*	7	**–**	**–**	–	–
* ₹ 0.45 crore (Previous year ₹ 0.45 crore)					
Other non-current financial assets	8	**62**	**8**	42	6
Non-current tax assets (net)		**112**	**15**	117	16
Deferred tax assets (net)	9	**573**	**76**	398	54
Other non-current assets	10	**103**	**13**	70	10
		5,654	**745**	5,349	732
CURRENT ASSETS					
Inventories	11	**769**	**101**	799	110
Financial Assets					
Trade receivables	12	**918**	**121**	918	126
Cash and cash equivalents	13.1	**370**	**49**	232	32
Bank balances (other than cash and cash equivalents)	13.2	**36**	**5**	60	7
Other current financial assets	14	**12**	**2**	33	5
Other current assets	15	**340**	**45**	239	32
Asset classified as held for sale	32 & 39B	**144**	**19**	144	20
		2,589	**342**	2,425	332
Total Assets		**8,243**	**1,087**	7,774	1,064
EQUITY AND LIABILITIES					
EQUITY					
Equity Share Capital	16	**72**	**9**	55	8
Other Equity		**3,777**	**498**	3,321	454
Equity attributable to the share holders of the Company		**3,849**	**507**	3,376	462
Non-controlling interests	41	**353**	**47**	383	52
Total Equity		**4,202**	**554**	3,759	514
LIABILITIES					
NON-CURRENT LIABILITIES					
Financial Liabilities					
Borrowings	17	**355**	**46**	503	68
Lease Liabilities	34	**267**	**35**	279	38
Other non-current financial liabilities	18	**152**	**20**	–	–
Provisions	19	**32**	**4**	84	12
Deferred tax liabilities (net)	9	**28**	**4**	28	4
		834	**109**	894	122
CURRENT LIABILITIES					
Financial Liabilities					
Borrowings	20	**1,507**	**198**	1,829	251
Lease Liabilities	34	**69**	**9**	63	9
Trade payables	21	**921**	**123**	696	95
Other current financial liabilities	22	**554**	**74**	229	32
Other current liabilities	23	**101**	**13**	175	24
Provisions	24	**37**	**5**	60	8
Current tax liabilities (net)		**18**	**2**	69	9
		3,207	**424**	3,121	428
Total Liabilities		**4,041**	**533**	4,015	550
Total Equity and Liabilities		**8,243**	**1,087**	7,774	1,064
Significant Accounting Policies	3				
The accompanying notes form an integral part of these Financial Statements.					

As per our attached report of even date

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

Koosai Lehery
Partner
Membership No. 112399

Debashis Dey
Company Secretary

Pramod Gupta
Chief Financial Officer

Place : Mumbai
Date : May 30, 2022

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

Zahabiya Khorakiwala
Non Executive Director
DIN: 00102689

Vinesh Kumar Jairath
DIN: 00391684

Akhilesh Gupta
DIN: 00359325

Rima Marphatia
DIN: 00444343

Directors

CONSOLIDATED FINANCIAL STATEMENTS - STATEMENT OF PROFIT AND LOSS

For the Year Ended March 31, 2022

		Notes	For the year ended March 31, 2022 ₹ in crore	For the year ended March 31, 2022 USD in million Supplementary information- convenience translation (See Note 2(C))	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))
	Income from Continuing operations					
I	Revenue from Continuing operations	25	**3,230**	**426**	2,708	371
II	Other income	26	**20**	**2**	132	18
III	Total Income (I + II)		**3,250**	**428**	2,840	389
IV	**Expenses from Continuing operations**					
	Cost of materials consumed		**612**	**81**	682	93
	Purchases of Stock-in-Trade		**568**	**75**	580	79
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	27	**87**	**12**	(127)	(18)
	Employee benefits expense	28	**749**	**99**	763	104
	Finance costs	29	**299**	**39**	249	34
	Depreciation and amortisation expense	4 & 6	**247**	**33**	246	34
	Exchange fluctuation loss, net		**–**	**–**	2	–
	Other expenses	30	**916**	**121**	871	119
	Total Expenses (IV)		**3,478**	**460**	3,266	445
V	Loss before exceptional items and tax from Continuing Operations (III- IV)		**(228)**	**(32)**	(426)	(56)
VI	Discontinued Operations	39				
	Profit before exceptional items and tax from Discontinued Operations		**–**	**–**	14	2
VII	Exceptional items- credit/(charge)					
	a) Continuing Operations	32	**(183)**	**(24)**	(142)	(19)
	b) Discontinued Operations	39	**–**	**–**	1,470	201
	Total Exceptions Items		**(183)**	**(24)**	1,328	182
VIII	Loss after exceptional items before tax from Continuing Operations (V + VIIa)		**(411)**	**(56)**	(568)	(75)
IX	Tax expense of Continuing Operations	9				
	Current tax - Charge/ (credit)		**33**	**4**	(120)	(16)
	Tax pertaining to earlier years		**5**	**1**	–	–
	Deferred tax - credit (Net)		**(170)**	**(22)**	(151)	(21)
X	Net Loss from Continuing Operations (VIII - IX)		**(279)**	**(39)**	(297)	(38)
XI	Profit after exceptional items before tax from Discontinued Operations (VI + VIIb)		**–**	**–**	1,484	203
XII	Tax expense of discontinued operations	9 & 39A				
	Current tax - charge		**–**	**–**	312	43
	Deferred tax - charge (Net)		**–**	**–**	187	26
XIII	Profit from Discontinued Operations (XI - XII)		**–**	**–**	985	134
XIV	Profit / (Loss) for the year (X + XIII)		**(279)**	**(39)**	688	96
	Attributable to:					
	Equity holders of the Company		**(244)**	**(33)**	686	96
	Non-controlling interests		**(35)**	**(6)**	2	–
			(279)	**(39)**	688	96
XV (i)	Other Comprehensive Income - Continuing Operations					
	(i) Items that will not be reclassified to profit or loss - (charge)/credit Consisting of remeasurement of net defined benefit (liability)/asset		**(24)**	**(3)**	(23)	(3)
	(ii) Income tax relating to items that will not be reclassified to profit or loss- (charge)/credit		**5**	**1**	4	1
	(iii) Items that will be reclassified to profit or loss (Consisting of Exchange differences on translating the financial statements of a foreign operation)		**(8)**	**(1)**	15	2
	Other Comprehensive Income (Net of tax) from continuing operations		**(27)**	**(3)**	(4)	–
XV (ii)	Other Comprehensive Income - Discontinued Operations					
	(i) Items that will not be reclassified to profit or loss - (charge)/credit Consisting of remeasurement of net defined benefit (liability)/asset* * ₹ Nil [Previous year - ₹ (0.04) crore]		**–**	**–**	–	–
	(ii) Income tax relating to items that will not be reclassified to profit or loss - (charge)/credit* * ₹ Nil (Previous year - ₹ 0.01 crore)		**–**	**–**	–	–
	Other Comprehensive Income (Net of tax) from discontinued operations		**–**	**–**	–	–
XVI	Total Comprehensive Income (XIV+XV (i)+XV(ii)) (Comprising Profit/ (Loss) and other comprehensive income for the year)		**(306)**	**(42)**	684	96
	Total comprehensive income attributable to:					
	Equity holders of the Company		**(276)**	**(37)**	686	96
	Non-controlling interests		**(30)**	**(5)**	(2)	–
			(306)	**(42)**	684	96
	Earnings per equity share of face value of ₹ 5 each	31				
A.	Earnings per equity share (for continuing operations)					
	Basic earnings per share ₹/ USD		**(20.24)**	**(0.27)**	(24.90)	(0.34)
	Diluted earnings per share ₹/ USD		**(20.24)**	**(0.27)**	(24.90)	(0.34)
B.	Earnings per equity share (for discontinued operations)					
	Basic earnings per share ₹/ USD		**–**	**–**	82.01	1.12
	Diluted earnings per share ₹/ USD		**–**	**–**	81.69	1.12
C.	Earnings per equity share (for continuing and discontinued operations)					
	Basic earnings per share ₹/ USD		**(20.24)**	**(0.27)**	57.11	0.78
	Diluted earnings per share ₹/ USD		**(20.24)**	**(0.27)**	56.88	0.78
	Significant accounting policies	3				

The accompanying notes form an integral part of these Financial Statements.

As per our attached report of even date

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

Koosai Lehery
Partner
Membership No. 112399

Place : Mumbai
Date : May 30, 2022

Debashis Dey
Company Secretary

Pramod Gupta
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

Zahabiya Khorakiwala
Non Executive Director
DIN: 00102689

Vinesh Kumar Jairath
DIN: 00391684

Akhilesh Gupta
DIN: 00359325

Rima Marphatia
DIN: 00444343

Directors

CONSOLIDATED FINANCIAL STATEMENTS - STATEMENT OF CHANGES IN EQUITY

For the Year Ended March 31, 2022

A. Equity Share Capital

As at April 01, 2020 ₹ in crore	Changes in equity share capital during the year* ₹ in crore	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))	Changes in equity share capital during the year ₹ in crore	**As at March 31, 2022 ₹ in crore**	**As at March 31, 2022 USD in million Supplementary information- convenience translation (See Note 2(C))**
55	–	55	8	17	**72**	**9**

* ₹ 0.02 crore

B. Other equity

	Reserves and Surplus								Other comprehensive income	Total Equity attributable to the share holders of the Company	Non-controlling interests	Total
	Capital Reserves		Capital Redemption Reserve (CRR)	Securities Premium	Share Options Outstanding Account	General Reserves	Other Reserves (FCMITDA)	Retained Earnings	Exchange differences on translating the financial statements of a foreign operation			
	Capital Reserves (other than capital contribution)	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
Balance as on April 01, 2020	**173**	**66**	**489**	**72**	**30**	**263**	**(22)**	**1,189**	**356**	**2,616**	**386**	**3,002**
Profit for the year	–	–	–	–	–	–	–	686	–	686	2	688
Transfer to CRR on account of Redemption of preference shares	–	–	–	–	–	–	–	(330)	–	(330)	–	(330)
Other comprehensive income / (loss) for the year	–	–	–	–	–	–	–	(16)	17	1	(5)	(4)
Total comprehensive Income	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**340**	**17**	**357**	**(3)**	**354**
Net additions/(deductions) on ESOP options (Also Refer note 37)	–	–	–	3	(2)	1	–	–	–	2	–	2
Additions in Foreign Currency Monetary Items Translation Difference Account (FCMITDA)	–	–	–	–	–	–	7	–	–	7	–	7
Amortisation from Foreign Currency Monetary Items Translation Difference Account (FCMITDA)	–	–	–	–	–	–	9	–	–	9	–	9
Transfer from Retained earnings on account of Redemption of preference shares	–	–	330	–	–	–	–	–	–	330	–	330
Balance as on March 31, 2021	**173**	**66**	**819**	**75**	**28**	**264**	**(6)**	**1,529**	**373**	**3,321**	**383**	**3,704**
Loss for the year	–	–	–	–	–	–	–	(244)	–	(244)	(35)	(279)
Other comprehensive income / (loss) for the year	–	–	–	–	–	–	–	(17)	(15)	(32)	5	(27)
Total comprehensive Income	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(261)**	**(15)**	**(276)**	**(30)**	**(306)**
Net additions/(deductions) on ESOP options (Also Refer note 37)	–	–	–	(5)	(10)	8	–	8	–	1	–	1
Additions in Foreign Currency Monetary Items Translation Difference Account (FCMITDA)	–	–	–	–	–	–	(3)	–	–	(3)	–	(3)
Amortisation from Foreign Currency Monetary Items Translation Difference Account (FCMITDA)	–	–	–	–	–	–	8	–	–	8	–	8
Right Issue of Equity Shares (Refer note 16)	–	–	–	731	–	–	–	–	–	731	–	731
Right Issue expenses (Refer note 16)	–	–	–	(5)	–	–	–	–	–	(5)	–	(5)
Balance as on March 31, 2022	**173**	**66**	**819**	**796**	**18**	**272**	**(1)**	**1,276**	**358**	**3,777**	**353**	**4,130**
Balance as on March 31, 2022 (USD in million) Supplementary information- convenience translation (See Note 2(C))	**23**	**9**	**108**	**105**	**2**	**36**	**–**	**168**	**47**	**498**	**47**	**545**
Balance as on March 31, 2021 (USD in million) Supplementary information- convenience translation (See Note 2(C))	**24**	**9**	**112**	**10**	**4**	**36**	**(1)**	**209**	**51**	**454**	**52**	**506**

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 Promoter Group 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 37 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.

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

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve. Exchange difference in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

Significant Accounting Policies - Note 3
The accompanying notes form an integral part of these financial statements

As per our attached report of even date

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

Koosai Lehery
Partner
Membership No. 112399

Debashis Dey
Company Secretary

Pramod Gupta
Chief Financial Officer

Place : Mumbai
Date : May 30, 2022

For and on behalf of the Board of Directors

H. F. Khorakiwala
Chairman
DIN: 00045608

Huzaifa Khorakiwala
Executive Director
DIN: 02191870

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Vinesh Kumar Jairath
DIN: 00391684

Akhilesh Gupta
DIN: 00359325

Rima Marphatia
DIN: 00444343

Directors

CONSOLIDATED FINANCIAL STATEMENTS - CASH FLOW STATEMENT

For the Year Ended March 31, 2022

	For the year ended March 31, 2022 ₹ in crore	For the year ended March 31, 2022 USD in million	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2021 USD in million
		Supplementary information- convenience translation (See Note 2(C))		Supplementary information- convenience translation (See Note 2(C))
CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES				
Loss before tax from Continuing Operations	**(411)**	**(56)**	(568)	(78)
Profit before tax from Discontinued Operations	**–**	**–**	1,484	203
Adjustments for:				
Profit from transfer of Business Undertaking	**–**	**–**	(1,470)	(201)
Impairment loss on nutrition business assets	**–**	**–**	142	19
Depreciation and amortisation expense	**247**	**33**	246	34
Allowance for expected credit loss, doubtful advances and bad debts provision	**20**	**3**	7	1
Loss on assets sold/write off of fixed assets (net)	**6**	**1**	10	1
Profit from sale of intellectual property and marketing rights	**–**	**–**	(95)	(13)
Finance costs	**299**	**39**	249	34
Exchange loss/ (gain)	**(11)**	**(1)**	2	–
Interest income	**(6)**	**(1)**	(21)	(3)
Employee share based payments expenses	**1**	**–**	2	–
Liabilities no longer required written back	**(2)**	**–**	(15)	(2)
	143	**18**	**(27)**	**(5)**
Movements in Working capital				
Decrease/(Increase) in Inventories	**30**	**4**	(107)	(15)
Decrease in trade receivables	**7**	**1**	347	48
(Increase) in Loans and Advances and other assets	**(113)**	**(15)**	(96)	(13)
Increase/(Decrease) in Liabilities and provisions	**457**	**61**	(277)	(38)
Adjustment for translation difference	**(14)**	**(2)**	(10)	(1)
Cash generated from/ (used in) operations	**510**	**67**	(170)	(24)
Income tax paid	**(97)**	**(13)**	(117)	(16)
Net cash inflow/ (outflow) from Operating activities	**413**	**54**	(287)	(40)
CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment and Capital work-in progress	**(118)**	**(16)**	(81)	(11)
Purchase of Intangible assets and Addition in Intangible assets under development	**(94)**	**(12)**	(85)	(12)
Proceeds from sale of property, plant and equipment	**1**	**–**	1	–
Consideration received from Transfer of Business Undertaking, net	**–**	**–**	1,535	210
Consideration on sale of intellectual property and marketing rights, net	**–**	**–**	96	13
Margin money under lien and Bank balances (other than cash and cash equivalents)	**7**	**1**	(10)	(1)
Interest received	**3**	**–**	14	2
Net cash (outflow)/ inflow from Investing activities	**(201)**	**(27)**	1,470	201
CASH FLOW FROM/ (USED IN) FINANCING ACTIVITIES (REFER NOTE 47)				
Proceeds from Issuance of Equity share capital under ESOP	**–**	**–**	–	–
* ₹ 0.02 crore (Previous year- ₹ 0.02 crore)				
Proceeds from Issuance of Equity share capital under Right Issue	**748**	**99**	–	–
Transaction cost related to Right Issue	**(1)**	**–**	–	–
Proceeds from long-term borrowings	**49**	**6**	–	–
Redemption of preference shares	**–**	**–**	(330)	(45)
Issue of Non-convertible debentures	**237**	**31**	–	–

	For the year ended March 31, 2022 ₹ in crore	For the year ended March 31, 2022 USD in million Supplementary information- convenience translation (See Note 2(C))	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))
Repayment of long-term borrowings (other than preference shares above)	**(786)**	**(104)**	(783)	(107)
Short-term borrowings (net)	**(101)**	**(13)**	29	4
Loans from related parties	**1,348**	**178**	410	56
Repayment of loans taken from Related parties	**(1,302)**	**(172)**	(172)	(23)
Repayment of Lease liabilities (Refer note 3 below)	**(71)**	**(9)**	(65)	(9)
Finance costs paid (including preference dividend)	**(190)**	**(25)**	(235)	(32)
Premium on redemption of preference shares	**–**	**–**	(24)	(3)
Equity Dividend paid to IEPF	**(2)**	**–**	(1)	–
Net cash outflow from Financing activities	**(71)**	**(9)**	(1,171)	(159)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**141**	**18**	12	2
Cash and cash equivalents as at the beginning of the year	**232**	**31**	219	30
Effects of exchange rate changes on cash and cash equivalents	**(3)**	**–**	(2)	–
Exchange difference on translation of foreign cash and cash equivalent*	**–**	**–**	3	–
*Current year ₹ 0.09 crore				
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR	**370**	**49**	232	32
Reconciliation of cash and cash equivalents as per the cash flow statement				
Cash and cash equivalents as per above comprise of the following				
Cash on hand	**–**	**–**	–	–
(* ₹ 0.09 crore (Previous year - ₹ 0.10 crore)				
Balance with banks:				
- in current account	**370**	**49**	232	32
Balance as per the Statement of cash flows	**370**	**49**	232	32

Notes:

1. The above statement of cash flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.
2. Income taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
3. Repayment of lease liabilities consists of:
   Payment of interest ₹ 31 crore (Previous year: ₹ 33 crore)
   Payment of Principal ₹ 40 crore (Previous year: ₹ 32 crore)
4. Refer Note 39 for cash flows of the discontinued operations.
5. Figures in bracket indicate cash outflow.

Significant Accounting Policies - Note 3

The accompanying notes form an integral part of these financial statements.

As per our attached report of even date

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

Koosai Lehery
Partner
Membership No. 112399

Place : Mumbai
Date : May 30, 2022

Debashis Dey
Company Secretary

Pramod Gupta
Chief Financial Officer

For and on behalf of the Board of Directors

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DIN: 00444343

Directors

CONSOLIDATED FINANCIAL STATEMENTS - NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Wockhardt Limited (WL or the 'Company') is a public limited company incorporated in India and has its registered office at D-4, MIDC, Chikalthana, Maharashtra, India. The Company's equity shares are listed on The BSE Ltd (BSE) and The National Stock Exchange of India Limited (NSE).

The Company and its subsidiaries (the 'Group') is a global pharmaceutical and biotech company with presence in USA, UK, Switzerland, Ireland, Russia and many other countries. It has manufacturing and research facilities in India, USA & UK and a manufacturing facility in Ireland and Dubai. The Group has a significant presence in USA, Europe and India.

Background

The Company has controlling interest, directly or through subsidiaries in the following entities:

	Entity	Country of Incorporation	Name of Parent	Percentage of holding (%) *
	Subsidiaries			
1	Wockhardt Infrastructure Development Limited	India	Wockhardt Limited	100%
2	Wockhardt Medicines Limited#	India	Wockhardt Limited	100%
3	Wockhardt Biologics Limited (w.e.f. July 2, 2021)#	India	Wockhardt Limited	100%
4	Wockhardt UK Holdings Limited	England & Wales	Wockhardt Limited	100%
5	Wockhardt Bio AG [Formerly, Wockhardt EU Operations (Swiss) AG]	Switzerland	Wockhardt Limited	85.85%
6	Wockhardt Europe Limited	British Virgin Islands	Wockhardt Limited	100%
	Step-down subsidiaries			
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, Esparma 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) LLC	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%

Wockhardt Bio Ltd, Wockhardt Biologics Limited and Wockhardt Medicines Limited is yet to commence business.

* % holding is same as of previous year other than Wockhardt Biologics Limited.

The Company together with its subsidiaries Wockhardt Infrastructure Development Limited ('WIDL'), Consolidated Wockhardt Europe Limited ('WEL'), 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 twelve manufacturing locations and there are three locations where research and development activities are carried out.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

A. Statement of compliance

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time and also the guidelines issued by Securities and Exchange Board of India('SEBI'), as applicable.

These consolidated financial statements were approved by the Board of Directors and authorised for issue on May 30, 2022.

B. Functional and Presentation Currency

These consolidated financial statements are presented in Indian rupees (₹), which is the functional currency of the parent Company and the currency of the primary economic environment in which the parent Company operates. All the amounts have been rounded off to the nearest crore except per share data. Till March 31, 2021 all the amount have been rounded off to the nearest crore and two decimal thereof except per share data.

C. Basis of preparation of consolidated financial statements.

These consolidated 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 that are measured at fair value.
- Share-based payments.
- Certain Property, Plant and Equipment measured at fair value which has been considered as deemed cost.
- Net defined benefit (asset)/liabilities.

Convenience translation

The accompanying financial statements have been prepared in Indian rupees, the national currency of India and the functional currency of the Company. Solely for the convenience of the reader, the financial statements as of March 31, 2022 and March 31, 2021 have been translated into United States dollars at the closing rate USD 1 = ₹ 75.7975 (previous year: USD 1 = ₹ 73.1150). 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, or at all.

D. 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 the control commences until the date the 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.

Any interest retains in the form of subsidiary is measured at fair value at the date that control is lost. Any resulting gain or loss is recognized in Consolidated Statement of Profit and Loss.

Non-controlling interest (NCI) are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

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.

E. Use of Estimates and Judgments

The preparation of the consolidated financial statements in conformity with Ind AS requires the management to make judgements, estimates and assumption about the reported amounts of assets and liabilities (including contingent liabilities) on the date of consolidated financial statement and the reported income and expenses during the year. The management believes that the judgements and estimates used in preparation of these consolidated 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 these consolidated 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) *Lease arrangements:*

The Group has entered into several arrangements for lease of land and property from Government entities and other parties. The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

(iii) *Impairment of trade receivables:*

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

(iv) *Legal and other disputes:*

The Group 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 Group. These estimates take into account the specific circumstances of each dispute and relevant external advice which are inherently judgmental and could change substantially over time as new facts emerge and each dispute progresses.

(v) *Post- employment benefits:*

The costs of providing gratuity 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 salary increases, discount rates, expected long-term rates of return on assets and mortality rates.

(vi) *Sales return and rebates:*

Revenue is recognized when significant control is 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.

Gross revenue 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 sometime 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 estimate, 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, 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 Group.

(vii) *Current tax and deferred tax:*

The Group's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the Group's total tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material impacts on profit/loss and/or cash flows.

The complexity of the Group's structure makes the degree of estimation and judgement more challenging. The resolution of issues is not always within the control of the Group and it is often dependent on the efficiency of the legal processes. Issues can, and often do, take many years to resolve.

The recognition of deferred tax assets is based upon whether it is probable that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits which are based on budgeted cash flow projections, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits.

(viii) Estimation of useful life:

The useful life used to amortise or depreciate intangible assets or property, plant and equipment respectively relates to the expected future performance of the assets acquired and management's judgement of the period over which economic benefit will be derived from asset. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the consolidated statement of profit and loss.

The useful lives of Company's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology.

(ix) Provision for inventory:

Inventory is stated at cost or net realizable whichever is lower. Provision for slow moving inventory is made based on historical experience with old inventory and the utilization plan of such inventory in the near future.

(x) Recoverability of Property, plant & equipment and capital work in progress:

Property, plant & equipment and old capital work in progress is assessed for recoverability based on management's utilization plans, technical assessment of current condition of the underlying assets. Company does a periodic physical verification and inspection of these assets using internal and external experts to determine the condition and usability of these assets.

(xi) Intangible asset under development :

Development expenditure incurred in relation to the New Chemical Entity (NCE) is tested for recoverability, based on the estimated future cash flows, progress on development activity and other relevant updates. Changes in these assumptions could lead to an impairment to the carrying value of these Intangible assets under development.

(xii) Goodwill:

The carrying value of goodwill is tested for impairment, based on estimated future cash flows, discount rate, terminal growth rates assumption etc. for respective business. Changes in these assumptions could impact the carrying value of goodwill.

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.

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 Consolidated 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 Group.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Consolidated 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 Group are as follows:

Assets	Estimated useful life
Leasehold land	Over the period of lease
Buildings	10 – 61 years
Plant and Equipment	4 – 21 years
Furniture and Fixtures	6 – 20 years
Office Equipments	4 – 20 years
Information Technology Equipments	3 – 20 years
Vehicles	5 years

Depreciation method, useful life and residual value are reviewed at each financial year end and adjusted if appropriate.

Depreciation on additions (disposals) are provided on a pro-rata basis i.e. from (up to) the date on which assets are ready for use (disposed of).

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 Group.

III. *Amortisation*

Intangible assets are amortised over their estimated useful life on Straight Line Method. The estimated useful lives followed by the Group is 3 to 15 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 it meets the conditions of development phase under Ind AS 38 "Intangible Assets" and it can be demonstrated that intangible asset under development will generate probable future economic benefits. 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 Non-financial 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 Consolidated 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 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 Consolidated Statement of Profit and Loss, to the extent the amount was previously charged to the Consolidated Statement of Profit and Loss.

CGUs to which goodwill has been allocated are tested for impairment annually or more frequently when there is indication for impairment. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Determination of recoverable amount of CGU requires the management to estimate the future cash flows expected to arise and a suitable discount rate in order to calculate the present value. An impairment loss recognised for goodwill is not reversed in subsequent periods.

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 Consolidated Statement of Profit and Loss in the period in which they arise.

iv) The Group 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.

v) Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve. Exchange difference in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

f) Financial Instruments

I. Financial assets

(i) Classification of financial assets

The Group 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 Consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the Consolidated 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 Group 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 Consolidated 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:

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 Group decides to classify the same either as at fair value through other comprehensive income (FVOCI) or FVTPL. The Group 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 Consolidated 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 Consolidated Statement of Profit and Loss.

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

Derivative financial instruments:

The Group 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 Consolidated 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 Group commits to purchase or sell the asset.

(iii) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset 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 Group has transferred substantially all the risks and rewards of the asset, or
  - (b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group 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 Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group 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 Group has retained.

(iv) Impairment of financial assets

In accordance with Ind-AS 109, the Group 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, measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

The Group 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 Group 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 Group 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 the Group 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 the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group'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 Group'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 Consolidated 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 Consolidated Statement of Profit and Loss.

III. Fair value:

The Group 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 Consolidated 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 Consolidated 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 capital contribution in Capital Reserve

(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 Consolidated 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 Group 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 Consolidated Statement of Profit and Loss, unless designated as effective hedging instruments.

VI. 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 Group 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 Group 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 Group 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 Consolidated 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.

x) Goodwill represents the excess of the consideration paid to acquire a business over underlying fair value of the identified assets acquired. Goodwill is carried at cost less accumulated impairment losses, if any. Goodwill is deemed to have an indefinite useful life and is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount. For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units (CGUs) that is expected to benefit from the synergies of the combination. Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

h) Income tax

Income tax expense comprises current and deferred tax. It is recognised in Consolidated Statement of Profit and Loss except to the extent that it relates to 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 Group:

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 Group 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 Group 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 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 including non-creditable taxes and other levies.

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 significant control is 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 is measured at the fair value of the consideration received or receivable, net of returns, sales tax/ Goods and Service Tax and applicable trade discounts and allowances, chargebacks, rebates and service level penalties. Revenue includes shipping and handling costs billed to the customer. The timing of the transfer of control varies depending on the individual terms of the sales agreements.

In case of certain bill and hold arrangements with a few customers, the Group recognizes revenue when the goods are separately identified and are ready for physical transfer and are kept at warehouses / manufacturing plants based on specific instructions from the customer and the Group cannot use these goods for any other purpose and the reason for such an arrangement is substantive.

Sale of Services, Outlicensing fees, sale of intellectual property and Assignment of New Chemical Entity

Revenues from services, Outlicensing fees and Assignment of New Chemical Entity is recognized in accordance with the terms of the relevant agreement(s) as generally accepted and agreed with the customers, and when control transfers to such customers and the Company's performance obligations are satisfied.

Export Incentive

Income from Export Benefits and Other Incentives Export benefits available under prevalent schemes are accrued as revenue in the year in which the goods are exported and / or services are rendered only when there reasonable assurance that the conditions attached to them will be complied with, and the amounts will be received.

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.

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 Group 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 Group'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 Group, 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, 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 Consolidated 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 Consolidated Statement of Profit and Loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Group'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 Consolidated 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

The Group as a lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (1) the contract involves the use of an identified asset (2) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost and subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Group as a lessor

Leases for which the group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant 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 to the consolidated financial statements. Contingent liabilities are disclosed for (1) possible obligations which will be confirmed only by future events not wholly within the control of the Group 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 these consolidated 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 consolidated financial statements.

o) Borrowing costs

Borrowing costs are interest and other costs that the Group 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 Consolidated 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 Group will comply with the conditions associated with the grant;

- In case of capital grants, they are then recognised in Consolidated 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 Group for expenses incurred are recognised in Consolidated 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) Non-current assets held for sale and discontinued operations

Non-current assets are classified as held for sale, if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable and sale is expected to be completed within one year from date of classification.

Non-current assets held for sale are presented separately in the current section of the consolidated balance sheet. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell, unless these items presented in the disposal group are deferred tax assets, assets arising from employee benefits and financial assets that are specifically exempt from the requirements.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

Discontinued operations are reported when a component of the Group comprising operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Group operations is classified as held for sale or has been disposed of, if the component either (1) represents a separate major line of business or geographical area of operations and (2) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or (3) is a subsidiary acquired exclusively with a view to resale.

In the consolidated statement of profit and loss, income/ (loss) from discontinued operations is reported separately from income and expenses from continuing operations. The comparative consolidated statement of profit and loss is re-presented; as if the operation had been discontinued from the start of the comparative period. The cash flows from discontinued operations are presented separately in Notes.

r) Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax available to equity share holders 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.

s) Segment reporting

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

t) Cash Flow statement

Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (Ind AS 7) - Statement of Cash Flows.

u) Operating cycle

All assets and liabilities have been classified as current or non-current as per each Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act 2013.

v) Reclassifications consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on 24 March 2021 to provide additional disclosures to users of financial statements. These amendments are effective from 1 April 2021.

Consequent to above, the group has made appropriate changes in the classification/ presentation of prior year comparative financial information as well.

w) Recent pronouncements related to Division II of Schedule III

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments require an entity to deduct from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use instead of recognising such sales proceeds in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Group does not expect the amendment to have any significant impact in its financial statements.

4.

Property, Plant and Equipment	Gross Block (At Cost)						Accumulated Depreciation/Impairment							Net Block			
	As at April 01, 2021	Additions/ Adjustments	Deductions/ Adjustments (Refer Note 4.4)	Exchange gain/(loss)	Asset classified as held for sale (Refer note 39B)	As at March 31, 2022	As at April 01, 2021	Charge for the year	Deductions/ Adjustments (Refer Note 4.4)	Exchange gain/ (loss)	Impairment	Asset classified as held for sale (Refer note 39B)	As at March 31, 2022	As at March 31, 2022 (Refer Note 4.4)	As at March 31, 2022	As at March 31, 2021	As at March 31, 2021
	₹ in crore	₹ in crore	₹ in crore	₹ 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	₹ in crore	USD in million
															Supplementary information-convenience translation (See Note 2(C))		Supplementary information-convenience translation (See Note 2(C))
Freehold Land	61	–	–	2	–	63	–	–	–	–	–	–	–	63	8	61	8
Buildings	666	81	(1)	2	–	748	214	20	(1)	–	–	–	233	515	68	452	62
Plant and Equipment	2,556	246	(10)	1	–	2,793	1,390	134	(9)	(1)	–	–	1,514	1,279	169	1,166	160
Furniture and Fixtures	63	15	–	(1)	–	77	42	5	–	–	–	–	47	30	4	21	3
Vehicles	7	–	–	–	–	7	6	–	–	–	–	–	6	1	–	1	–
Office Equipment	48	3	–	–	–	51	32	2	–	–	–	–	34	17	2	16	2
Information Technology Equipments	94	5	(2)	–	–	97	92	4	(2)	–	–	–	94	3	–	2	–
Total	**3,495**	**350**	**(13)**	**4**	**–**	**3,836**	**1,776**	**165**	**(12)**	**(1)**	**–**	**–**	**1,928**	**1,908**	**251**	1,719	**235**
Capital work-in-progress (Refer Note 4.2 below)	**603**	**127**	**(344)**	**3**	**–**	**389**								**389**	**51**	603	**82**

Right of use assets	Gross Block (At Cost)						Accumulated Depreciation/ Impairment							Net Block			
	As at April 01, 2021	Additions/ Adjustments	Deductions/ Adjustments (Refer Note 4.4)	Exchange gain/ (loss)	Asset classified as held for sale (Refer note 39B)	As at March 31, 2022	As at April 01, 2021	Charge for the year	Deductions/ Adjustments (Refer Note 4.4)	Exchange gain/ (loss)	Impairment	Asset classified as held for sale (Refer note 39B)	As at March 31, 2022	As at March 31, 2022 (Refer Note 4.4)	As at March 31, 2022	As at March 31, 2021	As at March 31, 2021
	₹ in crore	₹ in crore	₹ in crore	₹ 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	₹ in crore	USD in million
															Supplementary information-convenience translation (See Note 2(C))		Supplementary information-convenience translation (See Note 2(C))
Buildings	405	33	–	–	–	438	104	54	–	–	–	–	158	280	37	301	41
Plant and Equipment	29	–	–	–	–	29	3	3	–	–	–	–	6	23	3	26	4
Vehicles	2	1	–	–	–	3	2	1	–	–	–	–	3	–	–	–	–
Office Equipment* * Opening accumulated depreciation ₹ 0.48 crore * Charge for the year ₹ 0.16 crore * Net block as at March 31, 2022 ₹ 0.12 crore	1	–	–	–	–	1	0	0	–	–	–	–	1	0	–	1	–
Leasehold Land	294	1	–	–	–	295	30	5	–	–	–	–	35	260	34	264	36
Total	**731**	**35**	**–**	**–**	**–**	**766**	**139**	**63**	**–**	**–**	**–**	**–**	**203**	**563**	**74**	592	**81**

Property, Plant and Equipment	Gross Block (At Cost)						Accumulated Depreciation/ Impairment							Net Block			
	As at April 01, 2020	Additions/ Adjustments	Deductions/ Adjustments (Refer Note 4.4)	Exchange gain/ (loss)	Asset classified as held for sale (Refer note 39B)	**As at March 31, 2021**	As at April 01, 2020	Charge for the year	Deductions/ Adjustments (Refer Note 4.4)	Exchange gain/ (loss)	Impairment	Asset classified as held for sale (Refer note 39B)	**As at March 31, 2021**	**As at March 31, 2021 (Refer Note 4.4)**	**As at March 31, 2021**	As at March 31, 2020	As at March 31, 2020
	₹ in crore	₹ in crore	₹ in crore	₹ 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 Supplementary information-convenience translation (See Note 2(C))**	₹ in crore	USD in million Supplementary information-convenience translation (See Note 2(C))
Freehold Land	152	–	–	(2)	(89)	**61**	–	–	–	–	–	–	**–**	**61**	**8**	152	20
Buildings	631	83	–	5	(53)	**666**	199	18	–	2	19	(24)	**214**	**452**	**62**	432	57
Plant and Equipment	2,500	213	(8)	23	(172)	**2,556**	1,266	132	(2)	17	123	(146)	**1,390**	**1,166**	**160**	1,234	163
Furniture and Fixtures	57	5	–	2	(1)	**63**	38	3	–	1	–	–	**42**	**21**	**3**	19	3
Vehicles	7	–	–	–	–	**7**	6	–	–	–	–	–	**6**	**1**	**–**	1	–
Office Equipment	46	2	–	1	(1)	**48**	28	4	–	1	–	(1)	**32**	**16**	**2**	18	2
Information Technology Equipments	91	6	(1)	–	(2)	**94**	90	4	–	–	–	(2)	**92**	**2**	**–**	1	–
Total	**3,484**	**309**	**(9)**	**29**	**(318)**	**3,495**	**1,627**	**161**	**(2)**	**21**	**142**	**(173)**	**1,776**	**1,719**	**235**	1,857	**245**
Capital work-in-progress (Refer Note 4.2 below)	**836**	**72**	**(296)**	**(9)**	**-**	**603**								**603**	**82**	836	**111**

Right of use assets	Gross Block (At Cost)						Accumulated Depreciation/ Impairment							Net Block			
	As at April 01, 2020	Additions/ Adjustments	Deductions/ Adjustments (Refer Note 4.4)	Exchange gain/ (loss)	Asset classified as held for sale (Refer note 39B)	**As at March 31, 2021**	As at April 01, 2020	Charge for the year	Deductions/ Adjustments (Refer Note 4.4)	Exchange gain/ (loss)	Impairment	Asset classified as held for sale (Refer note 39B)	**As at March 31, 2021**	**As at March 31, 2021 (Refer Note 4.4)**	**As at March 31, 2021**	As at March 31, 2020	As at March 31, 2020
	₹ in crore	₹ in crore	₹ in crore	₹ 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 Supplementary information-convenience translation (See Note 2(C))**	₹ in crore	USD in million Supplementary information-convenience translation (See Note 2(C))
Buildings	399	10	(4)	–	–	**405**	51	55	(2)	–	–	–	**104**	**301**	**41**	348	46
Plant and Equipment	–	29	–	–	–	**29**	–	3	–	–	–	–	**3**	**26**	**4**	–	–
Vehicles	2	–	–	–	–	**2**	1	1	–	–	–	–	**2**	**–**	**–**	1	–
Office Equipment* * Opening accumulated depreciation ₹ 0.28 crore * Charge for the year ₹ 0.20 crore * Closing accumulated depreciation ₹ 0.48 crore	1	–	–	–	–	**1**	0	0	–	–	–	–	**0**	**1**	**–**	1	–
Leasehold Land	295	–	(1)	–	–	**294**	23	7	–	–	–	–	**30**	**264**	**36**	272	36
Total	**697**	**39**	**(5)**	**–**	**–**	**731**	**75**	**66**	**(2)**	**–**	**–**	**–**	**139**	**592**	**81**	622	**82**

Notes:

4.1 - Exchange differences arising on long term foreign currency monetary items relating to depreciable asset adjusted in additions and deductions/adjustments above amounts to ₹ 1 crore (Previous year - (₹ 3) crore)

4.2 - Addition to Capital Work-In-Progress includes expenditure incurred during construction period pending allocation aggregating ₹ 4 crore (Previous year : ₹ 6 crore). These expenses include employee and material cost ₹ 1 crore (Previous year : ₹ 1 crore), Interest Cost ₹ 2 crore (Previous year : ₹ 5 crore) and Other operating cost ₹ 1 crore (Previous year : ₹ 1 crore). [Other operating cost includes repairs and maintenance ₹ 0.07 crore (Previous year: ₹ 0.07 crore), legal and professional charges ₹ 0.07 crore (Previous year : ₹ 0.07 crore) and Other general expenses ₹ 1 crore (Previous year : ₹ 1 crore)].

4.3 - Charge has been created against the aforesaid assets for the borrowings taken by the Company and its subsidiary (Refer note 17 and 20).

4.4 - Deductions/ Adjustments include reclassification to Plant and Equipment from Office Equipments and Information Technology Equipments amounting ₹ Nil (Previous year ₹ 1 crore).

4.5 - During previous year, the Company, based on its review of useful lives for certain fixed assets, has provided for an additional depreciation of ₹ 8 crore.

4.6 - Capital-work-in progress ageing schedule.

Particulars	As at March 31, 2022					As at March 31, 2021				
	Less than 1 year	1-2 years	2-3 years	More than 3 years**	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Project in progress*	91	19	4	275	389	30	5	16	552	603
Total	91	19	4	275	389	30	5	16	552	603

* CWIP less than 1 year includes ₹ 58 Crore (Previous year- ₹ 1 crore) incurred for contract manufacturing agreement. The supply related to this agreement has been deferred. The Company expects to capitalise these assets during FY 2022-23. Capitalisation of previous year CWIP in current year ₹ 294 crore

** The Group expects to capitalise amounting ₹ 275 crore by FY 2023-24.

5. GOODWILL

Particulars	Gross Block (At Cost)					Accumulated Impairment					Net Block			
	As at April 01, 2021	Additions	Deductions/ Adjustments	Exchange Gain/(Loss)	**As at March 31, 2022**	As at April 01, 2021	Charge for the year	Deductions/ Adjustments	Exchange Gain/(Loss)	**As at March 31, 2022**	**As at March 31, 2022**	**As at March 31, 2022**	As at March 31, 2021	As at March 31, 2021
	₹ 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**	₹ in crore	USD in million
												Supplementary information-convenience translation (See Note 2(C))		Supplementary information-convenience translation (See Note 2(C))
Goodwill	904	–	–	(13)	**891**	–	–	–	–	**–**	**891**	**118**	904	124

Particulars	Gross Block (At Cost)					Accumulated Impairment					Net Block			
	As at April 01, 2020	Additions	Deductions/ Adjustments	Exchange Gain/(Loss)	As at March 31, 2021	As at April 01, 2020	Charge for the year	Deductions/ Adjustments	Exchange Gain/(Loss)	As at March 31, 2021	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2020
	₹ 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	₹ in crore	USD in million
												Supplementary information-convenience translation (See Note 2(C))		Supplementary information-convenience translation (See Note 2(C))
Goodwill	1,922	–	(1,047)	29	904	1,047	–	(1,047)	–	–	904	124	875	116

5. GOODWILL

Movement of carrying amount – Refer Schedule of Goodwill

Impairment testing of Goodwill

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).

Particulars	As at March 31, 2022 ₹ in crore	As at March 31, 2021 ₹ in crore
Pinewood	**751**	766
	751	766

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 and future projections.

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.

The Group has used 2% long term growth rate for value in use calculation.

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 10.84% (Previous year - 10.67%).

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.

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).

Particulars	As at March 31, 2022 ₹ in crore	As at March 31, 2021 ₹ in crore
CP Pharmaceuticals	**54**	55
	54	55

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 and future projections.

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.

The Group has used 2% long term growth rate for value in use calculation.

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 10.84% (Previous year - 10.67%).

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.

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).

Particulars	**As at March 31, 2022 ₹ in crore**	As at March 31, 2021 ₹ in crore
Morton Grove	**86**	83
	86	83

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 and future projections.

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.

The Group has used 3% long term growth rate for value in use calculation.

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 9.63% (Previous year - 8.75%).

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.

Other Intangible assets	Gross Block (At Cost)					Accumulated Amortisation					Net Block			
	As at April 01, 2021	Additions/ Adjustments	Deductions/ Adjustments	Exchange Gain/(Loss)	**As at March 31, 2022**	As at April 01, 2021	Charge for the year	Deductions/ Adjustments	Exchange Gain/(Loss)	**As at March 31, 2022**	**As at March 31, 2022**	As at March 31, 2022	As at March 31, 2021	As at March 31, 2021
	₹ 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	₹ in crore	USD in million
												Supplementary information-convenience translation (See Note 2(C))		Supplementary information-convenience translation (See Note 2(C))
Brands/Trademarks/Technical know-how	422	8	(5)	(5)	420	328	10	(1)	9	**346**	74	10	94	13
Computer software	104	1	–	1	106	70	9	–	1	**80**	26	3	34	5
Total	**526**	**9**	**(5)**	**(4)**	**526**	**398**	**19**	**(1)**	**10**	**426**	**100**	**13**	**128**	**18**
Intangible assets under Development	776	152	(7)	32	953						953	126	776	106

Other Intangible assets	Gross Block (At Cost)					Accumulated Amortisation					Net Block			
	As at April 01, 2020	Additions/ Adjustments	Deductions/ Adjustments	Exchange Gain/(Loss)	As at March 31, 2021	As at April 01, 2020	Charge for the year	Deductions/ Adjustments	Exchange Gain/(Loss)	As at March 31, 2021	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2020
	₹ 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	₹ in crore	USD in million
												Supplementary information-convenience translation (See Note 2(C))		Supplementary information-convenience translation (See Note 2(C))
Brands/Trademarks/Technical know-how	469	43	(81)	(9)	422	387	11	(63)	(7)	328	94	13	82	11
Computer software	132	4	(33)	1	104	65	8	(2)	(1)	70	34	5	67	9
Total	**601**	**47**	**(114)**	**(8)**	**526**	**452**	**19**	**(65)**	**(8)**	**398**	**128**	**18**	**149**	**20**
Intangible assets under Development	748	87	(32)	(27)	776						776	106	748	99

Note:

Intangible assets under development ageing schedule.

Particulars	As at March 31, 2022					As at March 31, 2021				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Project in progress	184	60	204	505	953	60	204	153	359	776
Total	184	60	204	505	953	60	204	153	359	776

The Group expects to capitalise NCE 5222 amounting ₹ 422 crore by FY 2024-25, NCE 4873 amounting ₹ 202 crore by FY 2023-24 and NCE 4282 amounting ₹ 282 crore by FY 2026-27

7. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

Particulars	As at March 31, 2022 ₹ in crore	As at March 31, 2022 USD in million Supplementary information-convenience translation (See Note 2(C))	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million Supplementary information-convenience translation (See Note 2(C))
Investments carried at fair value through profit or loss				
Unquoted Equity Shares:				
443,482 (Previous year: 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 crore (Previous year - ₹ 0.44 crore)				
(Transaction Value: ₹ 0.44 Crore; Previous year: ₹ 0.44 Crore)				
6,300 (Previous year: 6,300) Equity Shares of Bharuch Enviro Infrastructure Limited of ₹ 10 each fully paid up*	–	–	–	–
* ₹ 0.01 crore (Previous year - ₹ 0.01 crore)				
(Transaction Value: ₹ 0.01 Crore; Previous year: ₹ 0.01 Crore)				
Total	–	–	–	–
Aggregate book value of unquoted investments* *** ₹ 0.45 crore (Previous year - ₹ 0.45 crore)**	–	–	–	–

8. NON-CURRENT FINANCIAL ASSETS - OTHERS

(Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2022 ₹ in crore	As at March 31, 2022 USD in million Supplementary information-convenience translation (See Note 2(C))	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million Supplementary information-convenience translation (See Note 2(C))
Margin money (under lien)	**2**	**–**	1	–
Deposit with maturity of more than 12 months	**16**	**2**	–	–
(under lien ₹ 16 crore ; Previous year - ₹ 0.12 crore)				
Security Deposits	**44**	**6**	41	6
(Includes deposits with Related parties ₹ 41 crore ; Previous year- ₹ 38 crore) - Also refer Note 40				
Total	**62**	**8**	42	6

9. INCOME TAX

Tax recognised in profit or loss for continuing operations

	For the year ended March 31, 2022 ₹ in crore	For the year ended March 31, 2021 ₹ in crore
Current tax charge/ (credit)	**33**	(120)
Current tax charge pertaining to earlier years	**5**	–
Deferred tax charge/ (credit), net		
Origination and reversal of temporary differences including Minimum Alternate Tax (MAT) credit entitlement	**(170)**	(151)
Deferred tax charge/ (credit)	**(170)**	(151)
Tax charge/ (credit) for the year	**(132)**	(271)

Tax recognised in profit or loss for discontinued operations

	For the year ended March 31, 2022 ₹ in crore	For the year ended March 31, 2021 ₹ in crore
Current tax charge/ (credit)	**–**	312
Deferred tax charge/ (credit), net		
Origination and reversal of temporary differences including Minimum Alternate Tax (MAT) credit entitlement	**–**	187
Deferred tax charge/ (credit)	**–**	187
Tax charge/ (credit) for the year	**–**	499

Tax recognised in other comprehensive income from continuing operations

	For the year ended March 31, 2022 ₹ in crore	For the year ended March 31, 2021 ₹ in crore
Items that will not be reclassified to profit or loss		
Remeasurement of the defined benefit plans - (charge)/ credit	**5**	4
Total	**5**	4

Tax recognised in other comprehensive income from discontinued operations

	For the year ended March 31, 2022 ₹ in crore	For the year ended March 31, 2021 ₹ in crore
Items that will not be reclassified to profit or loss		
Remeasurement of the defined benefit plans - (charge)/ credit*	–	–
* ₹ Nil (Previous year - ₹ 0.01 crore)		
Total	–	–

Reconciliation of effective tax rate

	For the year ended March 31, 2022 ₹ in crore	For the year ended March 31, 2021 ₹ in crore
Profit/(Loss) before tax (a)	**(411)**	916
Tax using the Company's domestic tax rate (Current year - 34.944% and Previous year - 34.944%)	**(144)**	320
Differences in tax rates of foreign jurisdictions/ tax status and intercompany adjustments	**(21)**	(84)
Current tax charge pertaining to earlier years	**5**	–
Impact of changes in tax rates/ tax laws	**(3)**	4
Non-deductible tax expenses	**21**	4
Deferred tax asset not created on losses	**2**	82
Incremental deduction allowed for research and development costs	**(1)**	(1)
Income not taxable for tax purposes	**2**	(11)
Remeasurement of opening deferred tax liability basis expected reversals at lower tax rate	–	(30)
Profit chargeable to/ losses utilised at lower tax rate	–	(57)
Reversal of MAT credit entitlement	**7**	–
Other temporary differences	–	1
Tax expense as per profit or loss (b)	**(132)**	228
Effective average tax rate for the year (b)/(a)	**32%**	25%

Deferred tax assets and liabilities are attributable to the followings

	Deferred tax assets		Deferred tax liabilities	
	As at March 31, 2022 ₹ in crore	As at March 31, 2021 ₹ in crore	As at March 31, 2022 ₹ in crore	As at March 31, 2021 ₹ in crore
Property, Plant and Equipment	**(267)**	(248)	**(47)**	(49)
Unabsorbed losses	**323**	219	–	–
Unrealised profit on inventory/ assets	**139**	92	–	–
Employee benefits	**15**	12	–	–
Income/ expenses deferred for tax	**58**	22	–	–
Additional tax benefit due to change in tax laws	**50**	49	–	–
Allowance for credit loss	**27**	30	–	–
Lease arrangement	**20**	11	–	–
Loans and Borrowings	**(2)**	(1)	–	–
Other items	**1**	(4)	–	–
Deferred tax assets/ (liabilities)	**364**	182	**(47)**	(49)
MAT credit entitlement	**209**	216	**19**	21
Net deferred tax assets/ (liabilities)	**573**	398	**(28)**	(28)
Net deferred tax assets/ (liabilities) (USD in million) Supplementary information- convenience translation (See Note 2(C))	**76**	54	**(4)**	(4)

Movement in deferred tax assets and liabilities

Particulars	Net balance April 01, 2021	Recognised in profit or loss	Recognised in Other Comprehensive Income	March 31, 2022		
				Net Deferred tax asset/ (liability)	Deferred tax asset	Deferred tax liability
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Deferred tax asset/ (liabilities)						
Property, Plant and Equipment	(297)	(17)	–	**(314)**	**–**	**(314)**
Unabsorbed losses	219	104	–	**323**	**323**	**–**
Unrealised profit on inventory/ assets	92	47	–	**139**	**139**	**–**
Employee benefits	12	(2)	5	**15**	**15**	**–**
Income/ expenses deferred for tax	22	36	–	**58**	**58**	**–**
Additional tax benefit due to change in tax laws	49	1	–	**50**	**50**	**–**
Allowance for credit loss	30	(3)	–	**27**	**27**	**–**
Lease arrangement	11	9	–	**20**	**20**	**–**
Loans and Borrowings	(1)	(1)	–	**(2)**	**–**	**(2)**
Other items	(4)	5	–	**1**	**1**	**–**
Deferred tax assets/ (liabilities)	133	179	5	**317**	**633**	**(316)**
MAT credit entitlement	237	(9)	–	**228**	**228**	**–**
Net deferred tax assets/ (Liabilities)	370	170	5	**545**	**861**	**(316)**
Net deferred tax assets/ (Liabilities) (USD in million) Supplementary information- convenience translation (See Note 2(C))	50	22	1	**72**	**114**	**(42)**

Particulars	Net balance April 01, 2020	Recognised in profit or loss	Recognised in Other Comprehensive Income	March 31, 2021		
				Net Deferred tax asset/ (liability)	Deferred tax asset	Deferred tax liability
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Deferred tax asset/(liabilities)						
Property, Plant and Equipment	(324)	23	4	(297)	–	(297)
Unabsorbed losses	377	(158)	–	219	219	–
Unrealised profit on inventory/ assets	15	77	–	92	92	–
Employee benefits	21	(13)	4	12	12	–
Income/ expenses deferred for tax	19	3	–	22	22	–
Additional tax benefit due to change in tax laws	50	(1)	–	49	49	–
Allowance for credit loss	45	(15)	–	30	30	–
Lease arrangement	9	2	–	11	11	–
Loans and Borrowings	(6)	5	–	(1)	–	(1)
Other items	7	(11)	–	(4)	–	(4)
Deferred tax assets/ (Liabilities)	213	(88)	8	133	435	(302)
MAT credit entitlement	185	52	–	237	237	–
Net deferred tax assets/ (Liabilities)	398	(36)	8	370	672	(302)
Net deferred tax assets/ (Liabilities) (USD in million) Supplementary information- convenience translation (See Note 2(C))	54	(5)	1	50	91	(41)

Notes:

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.

MAT credit balance as on March 31, 2022 amounts to ₹ 228 crore (Previous year: ₹ 237 crore). Based on existing contracts and future business prospects, it is probable that the said MAT credit and business loss will be availed 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 the land on an individual basis, hence deferred tax asset on the indexation benefit on land has not been recognised.

iv) Deferred tax liabilities have not been recognised for taxable temporary differences arising on investments in subsidiaries where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

v) Aggregate carried forward tax losses for which no deferred tax has been created amounted to ₹ 142 crore (Previous year - ₹ 142 crore). These tax losses are available for set off against future taxable profits over next 8 years.

10. OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2022 ₹ in crore	As at March 31, 2022 USD in million Supplementary information- convenience translation (See Note 2(C))	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))
Capital Advances	**10**	**1**	6	1
Security Deposits(Refer note 10.1 below)	**16**	**2**	16	2
Other advances (Refer note 10.2 below)	**77**	**10**	48	7
Total	**103**	**13**	70	10

The above amounts are net of provision amounting ₹ 7 crore (Previous year - ₹ 7 crore)

Note 10.1

Includes balances with Government and Semi-Government authorities amounting ₹ 14 crore (Previous year - ₹ 14 crore)

Note 10.2

Includes balances with Government authorities amounting ₹ 76 crore (Previous year - ₹ 47 crore)

11. INVENTORIES

Particulars	As at March 31, 2022 ₹ in crore	As at March 31, 2022 USD in million Supplementary information- convenience translation (See Note 2(C))	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))
Raw Materials, packing materials and components	**262**	**35**	226	31
Goods-in-transit	**3**	**–**	7	1
	265	**35**	233	32
Work-in-progress	**49**	**6**	45	6
Stock-in-trade	**100**	**13**	143	20
Finished goods	**249**	**33**	286	39
Stores and spares	**106**	**14**	92	13
Total	**769**	**101**	799	110

Notes:

a) Inventories are valued at cost or net realizable value, whichever is lower.

b) Write down of inventories to net realisable value, and provision of slow moving and non moving items for the year ₹ 6 crore (Previous year: ₹ 50 crore). These have been recognised as an expense during the year and these provisions are included in cost of materials consumed or changes in inventory of finished goods, work-in-progress and stock-in-trade. The aforesaid balance includes balance pertaining to discontinued operations refer Note 39 ₹ Nil [Previous year- ₹ (1) crore]

12. CURRENT FINANCIAL ASSETS-TRADE RECEIVABLES

Particulars	As at March 31, 2022 ₹ in crore	As at March 31, 2022 USD in million Supplementary information- convenience translation (See Note 2(C))	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))
Unsecured, considered good	**932**	**123**	980	134
Less: Allowance for expected credit loss	**(14)**	**(2)**	(62)	(8)
Total	**918**	**121**	918	126
Unsecured credit impaired	**99**	**13**	95	13
Less: Allowance for expected credit loss	**(99)**	**(13)**	(95)	(13)
Total	**–**	**–**	–	–
Total	**918**	**121**	918	126

Notes:

12.1 Trade receivables include dues from private companies in which any director is a director or a member ₹ 4 crore (Previous year: ₹ 2 crore). [Also refer Note 43 for information about credit risk and market risk of trade receivables].

12.2 Trade Receivables ageing schedule

Particulars	As at March 31, 2022						
	Not Due ₹ in crore	Less than 6 months ₹ in crore	6 Months-1 year ₹ in crore	1-2 years ₹ in crore	2-3 years ₹ in crore	More than 3 years ₹ in crore	Total ₹ in crore
(i) Undisputed Trade receivables – considered good	573	202	48	53	34	22	932
(ii) Undisputed Trade Receivables – credit impaired	–	–	–	–	–	99	99
	573	202	48	53	34	121	1031
Less: Allowance for expected credit loss	(1)	(3)	(1)	(2)	(7)	(99)	(113)
Total	572	199	47	51	27	22	918

Particulars	As at March 31, 2021						
	Not Due ₹ in crore	Less than 6 months ₹ in crore	6 Months-1 year ₹ in crore	1-2 years ₹ in crore	2-3 years ₹ in crore	More than 3 years ₹ in crore	Total ₹ in crore
(i) Undisputed Trade receivables – considered good	679	101	80	66	33	21	980
(ii) Undisputed Trade Receivables – credit impaired	–	–	–	–	–	95	95
	679	101	80	66	33	116	1075
Less: Allowance for expected credit loss	(1)	(1)	(11)	(25)	(17)	(102)	(157)
Total	678	100	69	41	16	14	918

13.1 CURRENT FINANCIAL ASSETS-CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2022 ₹ in crore	As at March 31, 2022 USD in million	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million
		Supplementary information-convenience translation (See Note 2(C))		Supplementary information-convenience translation (See Note 2(C))
Bank balances				
In current accounts	370	49	232	32
Cash on hand*	–	–	–	–
(* ₹ 0.09 crore, (Previous year - ₹ 0.10 crore)				
	370	49	232	32

13.2 CURRENT FINANCIAL ASSETS-OTHER BANK BALANCES

In current accounts (balances subject to restrictions under Business transfer agreement and NCDs)	3	–	2	–
Deposits with original maturity of less than 3 months (under lien/balances subject to restrictions under Business transfer agreement and NCDs)	5	1	2	–
Deposits with original maturity of more than 3 months but less than 12 months* (under lien - ₹ 12 crore; Previous year: ₹ 0.31 crore) * ₹ 0.32 crore in previous year	12	2	–	–
Deposits with original maturity equal to 12 months (under lien - ₹ 1 crore; Previous year: ₹ Nil)	1	–	6	1
Deposits with original maturity of more than 12 months (under lien)	11	1	46	6
Margin money (under lien)	4	1	2	–
Unpaid dividend accounts*	–	–	2	–
* ₹ 0.50 crore in current year				
Total	36	5	60	7

14. CURRENT FINANCIAL ASSETS-OTHERS

(Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2022 ₹ in crore	As at March 31, 2022 USD in million Supplementary information-convenience translation (See Note 2(C))	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million Supplementary information-convenience translation (See Note 2(C))
Deposits and other receivables	**12**	**2**	33	5
Total	**12**	**2**	33	5

15. OTHER CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2022 ₹ in crore	As at March 31, 2022 USD in million Supplementary information-convenience translation (See Note 2(C))	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million Supplementary information-convenience translation (See Note 2(C))
Advances to suppliers (Refer note 15.1 below)	**73**	**10**	32	4
Balances with / receivable from statutory / government authorities	**175**	**23**	168	23
Contract assets (Refer note 15.3 below).	**50**	**6**	–	–
Other advances (Refer note 15.2 below)	**42**	**6**	39	5
Total	**340**	**45**	239	32

Note 15.1

Advances to suppliers include dues from private companies in which any director is a director or a member ₹ 1 crore (Previous year: ₹ 1 crore).

Note 15.2

Other advances includes inventory of Saleable goods ₹ 1 crore (Previous year: ₹ 1 crore).

Further the above balances are net of provisions amounting ₹ 25 crore (Previous year: ₹ 25 crore).

Note 15.3

During the year, the Company has incurred ₹ 50 crore for contract assets.

16. EQUITY SHARE CAPITAL

(a) Authorised share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	₹ in crore	USD in million Supplementary information-convenience translation (See Note 2(C))	₹ in crore	USD in million Supplementary information-convenience translation (See Note 2(C))
250,000,000 (Previous Year - 250,000,000) Equity shares of ₹ 5/- each	**125**	**16**	125	17
	125	**16**	125	17

(b) Issued, Subscribed and Paid up

Particulars	As at March 31, 2022			As at March 31, 2021		
	No. of Shares	₹ in crore	USD in million Supplementary information- convenience translation (See Note 2(C))	No. of Shares	₹ in crore	USD in million Supplementary information- convenience translation (See Note 2(C))
Equity:						
Outstanding as at the beginning of the year	**110,781,153**	55	7	110,735,003	55	8
Add: Shares issued during the year on rights basis	**33,244,650**	17	2	–	–	–
Add: Shares issued during the year pursuant to ESOS*	**34,350**	–	–	46,150	–	–
* ₹ 0.02 crore (Previous year- ₹ 0.02 crore)						
Outstanding as at the end of the year	**144,060,153**	72	9	110,781,153	55	8

a) During the year, in accordance with provisions of the Companies Act, 2013 and other related laws, the Company offered its shareholders to subscribe to a right issue of 33,244,650 equity shares at an issue price of ₹ 225 per share. The issue was fully subscribed.

Details of utilization of proceeds from Right issue is as follows:

Purpose of Utilization	₹ in crore
Loan repayment	**500**
General Corporate purpose	**55**
	555

As on the balance sheet date, balance of ₹ 189 crore after adjusting right issue expenses has been parked in bank accounts.

b) 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.

c) Shares reserved for issue under options:

362,225 (Previous year - 553,500) equity shares of face value ₹ 5 each have been reserved for issue under Wockhardt Stock Option Scheme - 2011.

d) Details of equity shares held by each shareholders holding more than 5% of total equity shares:

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% of Holding	No. of Shares	% 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.*	**77,344,744**	**53.69%**	60,495,957	54.61%

* includes 42,167,000 Equity Shares (Previous year - 14,950,000) pledged

e) Details of equity shares held by Promoters:

Name of the Promoters	As at March 31, 2022		As at March 31, 2021		% Change during the year
	No. of Shares	% of Holding	No. of Shares	% of Holding	
Habil F Khorakiwala	**597,286**	**0.41%**	459,451	0.41%	-0.0001%
Themisto Trustee Company Private Limited	**77,344,744**	**53.69%**	60,495,957	54.61%	-0.92%
	77,942,030	**54.10%**	60,955,408	55.02%	

Name of the Promoters	As at March 31, 2021		As at March 31, 2020		% Change during the year
	No. of Shares	% of Holding	No. of Shares	% of Holding	
Habil F Khorakiwala	**459,451**	**0.41%**	442,785	0.40%	0.01%
Themisto Trustee Company Private Limited	**60,495,957**	**54.61%**	60,497,757	54.61%	-0.002%
	60,955,408	**55.02%**	60,940,542	55.01%	

17. NON-CURRENT FINANCIAL LIABILITY-BORROWINGS

Particulars	As at March 31, 2022 ₹ in crore	As at March 31, 2022 USD in million Supplementary information-convenience translation (See Note 2(C))	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million Supplementary information-convenience translation (See Note 2(C))
Secured				
Term loans				
from banks / financial institutions (Refer Note 17.1 to 17.4 below)	260	34	500	68
	260	34	500	68
Unsecured				
Non-convertible debentures (Refer note 17.5 below)	49	6	–	–
Loans from Department of Science and Technology, Government of India ['GOI'] (Refer note 17.6 below)	2	–	3	–
Others term loan (Refer note 17.7 below)	44	6	–	–
Total	355	46	503	68

Note 17.1

The term loan of USD 10 million (Previous year - USD 30 million) amounting to ₹ 76 crore (Previous year: ₹ 219 crore) is secured by first charge on pari passu basis on fixed assets, present and future, located at all locations other than Plants at Kadaiya in Daman. This term loan carries interest rate of 6 months USD LIBOR plus 325 BPS p.a. and is repayable in 2 equal quarterly instalments by July 2022.

Note 17.2

The term loan of ₹ 50 crore (Previous year - ₹ 100 crore) from IDBI Bank is secured by first charge on pari passu basis on fixed assets, present and future, located at all locations other than Plants at Kadaiya in Daman. This term loan carries interest rate at Bank Base Rate plus 75 BPS p.a. and is repayable in 2 equal half yearly instalments by December 2022.

The term loan of ₹ 45 crore (Previous year - ₹ 95 crore) 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 Plants at Kadaiya in Daman. This term loan carries interest rate at One Year's MCLR plus 185 BPS p.a and is repayable in 3 quarterly instalments (along with interest pertaining to Covid Moratorium Period) by December 2022.

Further, the term loan of ₹ 90 crore (Previous year - ₹ 130 crore) from Bank of Baroda ('BOB') is secured by first charge on pari passu basis on fixed assets, present and future, located at all locations other than Plants at Kadaiya in Daman. This term loan carries interest rate at One Year's MCLR plus 110 BPS and is repayable in 9 equal quarterly instalments by June 2024.

Note 17.3

Term Loan availed by Pinewood Laboratories Limited of Euro 29.75 million (Previous year: Euro 33 million) amounting to ₹ 251 crore (Previous year: ₹ 286 crore) is secured by:

(i) First Ranking fixed and floating charge over all the present and future assets and undertakings of Pinewood Laboratories Limited

(ii) First Ranking charge over ordinary shares of Pinewood Laboratories Limited and other investments held by Wockpharma Ireland Limited

The loan carries an interest of 3 months EURIBOR + Cash Margin 7% p.a. (3 months EURIBOR floor of 0.50%) and is repayable in 8 equal half yearly instalments of Euro 2 million each commencing from December 2020 and balance outstanding in June 2025.

Addition to above, during the current year Pinewood Laboratories Limited has availed a loan of Euro 4 million amounting to ₹ 34 crore secured as mentioned above in (i) and (ii) and carries an interest of 3 months EURIBOR + Cash Margin 10% p.a. (3 months EURIBOR floor of 0.50%) and is repayable in 1 instalment by March 2023.

Note 17.4

Term Loan availed by Wockhardt Bio AG of USD Nil (Previous year: USD 63 million) amounting to ₹ Nil (Previous year: ₹ 457 crore) 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 on Fixed Deposits of ₹ Nil (Previous year: ₹ 45 crore) in India.

This term loan carrying interest rate of 6 months USD LIBOR plus a margin in a range of 275 BPS to 300 BPS p.a. and was fully repaid.

Note 17.5

25,000 (Previous year - Nil), 11.75% (excluding additional coupon) Unsecured Non-Convertible Debentures of ₹ 1,00,000 each aggregating ₹ 250 crore are repayable at par as per below repayment schedule:

Redemption on	No. of debentures
October, 2024	1,700
June, 2024	1,650
May, 2024	4,250
April, 2024	2,550
December, 2023	8,250
June, 2023	6,600

Put/Call option:

Put/Call option for 5,000 debentures (alloted in October 2021) will vest on June 15, 2023, and each date falling at the expiry of 6 months thereafter. For the balance 20,000 debentures (alloted in April/May 2021), the Put/Call option will vest on December 15, 2022, and each date falling at the expiry of 6 months thereafter.

Further, the above Non- Convertible Debentures are secured against pledge of 173,75,000 equity shares of Company held by 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.

Note 17.6

Loans from GOI carry interest rate of 3% p.a. Loan amounting to ₹ 3 crore (Previous year- ₹ 3 crore) is repayable in equal annual instalments by March 2029. Loan amounting to ₹ 0.42 crore has been repaid in full in October 2021.

Note 17.7

Loan others consists ₹ 50 crore (Previous year - Nil) loan from Arka Fincap Limited carrying interest rate of 11.75% p.a. repayable as per below repayment schedule:

Redemption on	Redemption amount (₹ in crore)
June, 2024	25
June, 2023	20
June, 2022	5

The above loan has been secured against pledge of 2,511,000 equity shares of Company held by 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.

Note 17.8

Current maturities of the above borrowings have been disclosed under Note 20.

18. NON-CURRENT FINANCIAL LIABILITY-OTHERS

Particulars	As at March 31, 2022 ₹ in crore	As at March 31, 2022 USD in million	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million
		Supplementary information- convenience translation (See Note 2(C))		Supplementary information- convenience translation (See Note 2(C))
Payable for claims (Refer note 32(ii) and note 22)	152	20	–	–
Total	**152**	**20**	–	–

19. PROVISIONS (NON-CURRENT)

Particulars	As at March 31, 2022 ₹ in crore	As at March 31, 2022 USD in million Supplementary information- convenience translation (See Note 2(C))	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))
Provision for employee benefits (Refer note 36)				
Leave encashment (unfunded)	**11**	**1**	12	2
Gratuity (unfunded)	**21**	**3**	21	3
Provision for claims (Refer note 32(ii))	**–**	**–**	51	7
Total	**32**	**4**	84	12

20. CURRENT FINANCIAL LIABILITIES - BORROWINGS

Particulars		As at March 31, 2022 ₹ in crore	As at March 31, 2022 USD in million Supplementary information- convenience translation (See Note 2(C))	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))
(a)	**Secured**				
	Working capital facilities from banks (Refer Note 20.1 below)	**450**	**59**	574	79
	Buyers' credit/ Supplier's credit (Refer Note 20.2 below)	**10**	**1**	20	3
(a)	**Unsecured**				
	Loan from related party (Refer Note 20.4 below)	**574**	**76**	472	65
(c)	**Current maturities of long-term debt (Refer note 17)**	**473**	**62**	763	104
	Total	**1,507**	**198**	1,829	251

Note 20.1

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 on immovable properties and movable fixed assets, both present and future, located at all locations (other than Plants at Kadaiya in Daman).

Note 20.2

Buyers' credit/ Supplier's Credit 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 Plants at Kadaiya in Daman.

Note 20.3

Refer note 12 to 14 for carrying amount of current financial assets on which charge has been created.

Note 20.4

Loans from related parties carrying interest rate in the rate of 8.5% p.a to 11.75% p.a are repayable on demand and subject to rollover by mutual consent.

21. CURRENT FINANCIAL LIABILITY-TRADE PAYABLES

Particulars	As at March 31, 2022 ₹ in crore	As at March 31, 2022 USD in million	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million
		Supplementary information-convenience translation (See Note 2(C))		Supplementary information-convenience translation (See Note 2(C))
Trade payables	**921**	**123**	696	95
Total	**921**	**123**	696	95
The carrying amount of trade payables as at reporting date approximates fair value				

Note:

Trade Payables ageing schedule

Particulars	As at March 31, 2022					
	Not Due** ₹ in crore	Less than 1 Year ₹ in crore	1- 2 Years ₹ in crore	2- 3 Years ₹ in crore	More than 3 Years ₹ in crore	Total ₹ in crore
Undisputed outstanding dues of creditors*	**116**	**714**	**31**	**33**	**27**	**921**
Total	**116**	**714**	**31**	**33**	**27**	**921**

* Above includes dues of MSMED companies having place of business in India for ₹ 45 crore

** Trade payables includes accrued expenses.

Particulars	As at March 31, 2021					
	Not due** ₹ in crore	Less than 1 Year ₹ in crore	1- 2 Years ₹ in crore	2- 3 Years ₹ in crore	More than 3 Years ₹ in crore	Total ₹ in crore
Undisputed outstanding dues of creditors*	109	515	41	15	16	696
Total	109	515	41	15	16	696

* Above includes dues of MSMED companies having place of business in India for ₹ 22 crore

** Trade payables includes accrued expenses.

22. CURRENT FINANCIAL LIABILITY-OTHERS

Particulars	As at March 31, 2022 ₹ in crore	As at March 31, 2022 USD in million	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million
		Supplementary information-convenience translation (See Note 2(C))		Supplementary information-convenience translation (See Note 2(C))
Unpaid dividends*	–	–	2	–
*₹ 0.50 crore in current year				
Other payables				
Security deposits	**14**	**2**	14	2
Employee liabilities	**66**	**9**	114	16
Payable for capital goods	**96**	**13**	22	3
Payable for claims (Refer note 32(ii))	**65**	**9**	–	–
Others liabilities	**313**	**41**	77	11
Total	**554**	**74**	229	32

23. OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2022 ₹ in crore	As at March 31, 2022 USD in million Supplementary information- convenience translation (See Note 2(C))	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))
Payable for statutory dues	**33**	**4**	70	10
Advance received from customers against supplies	**51**	**7**	25	3
Deferred revenue	**17**	**2**	80	11
Total	**101**	**13**	175	24

24. PROVISIONS (CURRENT)

Particulars	As at March 31, 2022 ₹ in crore	As at March 31, 2022 USD in million Supplementary information- convenience translation (See Note 2(C))	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))
Provision for employee benefits (Refer note 36)				
Leave Encashment (unfunded)	**5**	**1**	6	1
Gratuity (unfunded)/ Pension and other benefits	**8**	**1**	7	1
	13	**2**	13	2
Other provisions				
Provision for sales return (Refer note 24.1 below)	**17**	**2**	23	3
Provision for medicaid rebates (Refer note 24.2 below)	**7**	**1**	24	3
Total	**37**	**5**	60	8
Note 24.1				
Movement of provision for sales return				
Opening Balance	**23**	**3**	48	7
Recognised during the year	**37**	**5**	24	3
Utilised during the year	**(44)**	**(6)**	(49)	(7)
Foreign currency translation	**1**	**–**	–	–
Closing Balance	**17**	**2**	23	3

Provision has been recognised for expected sales return on date expiry of products sold during 2-3 years.

Note 24.2				
Movement of provision for Medicaid rebates				
Opening Balance	**24**	**3**	63	9
Recognised during the year	**91**	**12**	67	8
Utilised during the year	**(109)**	**(14)**	(104)	(14)
Foreign currency translation	**1**	**–**	(2)	–
Closing Balance	**7**	**1**	24	3

Provision for Medicaid Rebate made based on the past trend of expected settlements of these claims in the future.

25. REVENUE FROM CONTINUING OPERATIONS (REFER NOTE 38)

Particulars	For the year ended March 31, 2022 ₹ in crore	For the year ended March 31, 2022 USD in million Supplementary information-convenience translation (See Note 2(C))	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2021 USD in million Supplementary information-convenience translation (See Note 2(C))
Sale of products	**3,138**	**414**	2,691	368
Sale of services	**3**	**–**	4	1
Sale of intellectual property	**69**	**9**	4	1
Other operating income - export incentives/cost recovery	**20**	**3**	9	1
Total	**3,230**	**426**	2,708	371

26. OTHER INCOME

Particulars	For the year ended March 31, 2022 ₹ in crore	For the year ended March 31, 2022 USD in million Supplementary information-convenience translation (See Note 2(C))	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2021 USD in million Supplementary information-convenience translation (See Note 2(C))
Interest income	**6**	**1**	21	3
Dividend received*	**–**	**–**	–	–
* ₹ 0.0014 crore (Previous year- ₹ 0.0015 crore)				
Exchange fluctuation gain, net	**11**	**1**	–	–
Other non-operating income (Refer note below)	**3**	**–**	111	15
Total	**20**	**2**	132	18

Note:

Other non-operating income includes:

(a) Liabilities no longer required written back of ₹ 2 crore (Previous year : ₹ 14 crore).

(b) Gain on selling of trademarks and marketing authorisation rights of subsidiaries of ₹ Nil (Previous year : ₹ 95 crore)

27. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	For the year ended March 31, 2022 ₹ in crore	For the year ended March 31, 2022 USD in million Supplementary information-convenience translation (See Note 2(C))	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2021 USD in million Supplementary information-convenience translation (See Note 2(C))
Opening Inventories				
Finished goods	**297**	**39**	193	26
Stock in trade	**143**	**19**	85	12
Work-in-progress	**45**	**6**	76	10
Add: Inventory for Saleable Returns	**1**	**–**	5	1
Total	**486**	**64**	359	49
Closing Inventories				
Finished goods	**249**	**33**	297	41
Stock in trade	**100**	**13**	143	20
Work-in-progress	**49**	**6**	45	6
Add: Inventory for Saleable Returns	**1**	**–**	1	–
Total	**399**	**52**	486	67
Decrease/(Increase) in Inventories	**87**	**12**	(127)	(18)

28. EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2022 ₹ in crore	For the year ended March 31, 2022 USD in million Supplementary information-convenience translation (See Note 2(C))	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2021 USD in million Supplementary information-convenience translation (See Note 2(C))
Salaries and wages (Refer note 36)	**641**	**85**	665	91
Contribution to provident and other funds (Refer note 36)	**70**	**9**	68	9
Share based payments to employees (Refer note 37)	**1**	**–**	2	–
Staff welfare expenses	**37**	**5**	28	4
Total	**749**	**99**	763	104

29. FINANCE COSTS

Particulars	For the year ended March 31, 2022 ₹ in crore	For the year ended March 31, 2022 USD in million Supplementary information-convenience translation (See Note 2(C))	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2021 USD in million Supplementary information-convenience translation (See Note 2(C))
Interest expense				
On term loan	**77**	**10**	132	18
On lease liabilities	**31**	**4**	33	5
Others	**181**	**24**	98	13
Other borrowing costs	**17**	**2**	6	1
Net loss on foreign currency transactions and translation*	**–**	**–**	–	–
*(₹ 0.13 crore (Previous year - ₹ 0.14 crore)				
	306	**40**	269	37
Less: Finance costs capitalised*	**(7)**	**(1)**	(20)	(3)
*weighted average capitalisation rate- 2.05% (Previous year : 2.41%)				
Total	**299**	**39**	249	34

30. OTHER EXPENSES

Particulars	For the year ended March 31, 2022 ₹ in crore	For the year ended March 31, 2022 USD in million Supplementary information-convenience translation (See Note 2(C))	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2021 USD in million Supplementary information-convenience translation (See Note 2(C))
Traveling and conveyance	**28**	**4**	19	3
Freight and forwarding charges	**71**	**9**	80	11
Sales promotion and other selling cost	**86**	**11**	29	4
Commission on sales	**23**	**3**	23	3
Power and fuel	**98**	**13**	82	11

Particulars	For the year ended March 31, 2022 ₹ in crore	For the year ended March 31, 2022 USD in million Supplementary information- convenience translation (See Note 2(C))	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))
Stores and spare parts consumed	**61**	**8**	51	7
Chemicals	**26**	**3**	19	3
Rent (Refer note 34)	**31**	**4**	30	4
Rates and taxes	**16**	**2**	66	9
Repairs to buildings	**6**	**1**	6	1
Repairs to Plant and machinery	**32**	**4**	29	4
Repairs and Maintenance - others	**44**	**6**	40	5
Insurance	**30**	**4**	30	4
Legal and professional fees	**118**	**16**	105	14
Directors' sitting fees (Refer note 40)	**1**	**–**	1	–
Allowance for expected credit loss/Bad debts provision	**20**	**3**	5	1
Miscellaneous expenses	**225**	**30**	256	35
Total	**916**	**121**	871	119

31. EARNINGS PER SHARE

The calculations of Earnings per share (EPS) (basic and diluted) are based on the earnings and number of shares as computed below:

Reconciliation of earnings

Particulars	For the year ended March 31, 2022 ₹ in crore	For the year ended March 31, 2022 USD in million Supplementary information- convenience translation (See Note 2(C))	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))
Loss attributable to equity holders of the Company from Continuing Operations	**(244)**	**(32)**	(299)	(41)
Profit attributable to equity holders of the Company from Discontinued Operations	**–**	**–**	985	135
Profit / (loss) attributable to equity holders of the Company	**(244)**	**(32)**	686	94

Reconciliation of number of equity shares

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2021
Weighted average number of shares in calculating Basic EPS	**120,560,315**		120,143,716	
Add: Weighted average number of shares under ESOS	**404,692**		479,264	
Earnings per share (face value ₹ 5/- each) from Continuing operations				
Earnings per share - Basic in ₹/ USD	**(20.24)**	**(0.27)**	(24.90)	(0.34)
Earnings per share - Diluted in ₹/ USD	**(20.24)**	**(0.27)**	(24.90)	(0.34)
Earnings per share (face value ₹ 5/- each) from Discontinued operations				
Earnings per share - Basic in ₹/ USD	**–**	**–**	82.01	1.12
Earnings per share - Diluted in ₹/ USD	**–**	**–**	81.69	1.12
Earnings per share (face value ₹ 5/- each)				
Earnings per share - Basic in ₹/ USD	**(20.24)**	**(0.27)**	57.11	0.78
Earnings per share - Diluted in ₹/ USD	**(20.24)**	**(0.27)**	56.88	0.78

Basic and diluted earnings per share for the year ended March 31, 2022 and March 31, 2021 have been adjusted appropriately for the bonus element in respect of rights issue made during the year ended March 31, 2022.

32. (i) During the previous year ended March 31, 2021 , the Company reassessed the commercial prospects of the Nutrition Business and decided not to pursue it in near future and therefore, the Nutrition Business assets were classified as assets held for disposal and an impairment loss of ₹ 142 crore has been recognised under the head 'Exceptional items - Continuing Operations'. Further the aforesaid business assets have been classified as ' Assets held for disposal' as disclosed in note 4 & 39 amounting to ₹ 144 crore.

(ii) Pursuant to a settlement agreement entered with the State of Texas on February 8, 2022 in regards to Civil Investigative Demand ('CID') with respect to submission of price information and updates to Texas Medicaid programme in US, Wockhardt USA LLC (WUSA) has agreed to pay USD 36 million and interest over nine instalments between 2022 and 2025 for the aforesaid matter relating to WUSA and Morton Grove Pharmaceuticals.

WUSA has made provision of ₹ 51 crores in the previous year ended March 31, 2021. During the year ended March 31, 2022 WUSA has created additional provision and presented ₹ 183 crores (charge for the year) based on its present value as an 'Exceptional Items- Continuing operations'.

Further ₹ 22 crore (USD 3 million) has been paid by WUSA during the current year.

33. SEGMENT REPORTING

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

The Chief operating decision makers monitor 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, 2022 ₹ in crore	**For the year ended March 31, 2022 USD in million**	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2021 USD in million
		Supplementary information-convenience translation (See Note 2(C))		Supplementary information-convenience translation (See Note 2(C))
External revenue from continuing operation in the above reportable business segment	**3,230**	**426**	2,708	371

Information about geographical areas:

a) Revenue from continuing operation from external customers:

	For the year ended March 31, 2022 ₹ in crore	**For the year ended March 31, 2022 USD in million**	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2021 USD in million
		Supplementary information-convenience translation (See Note 2(C))		Supplementary information-convenience translation (See Note 2(C))
India	**661**	**87**	426	58
USA	**342**	**45**	444	61
Europe	**1,615**	**213**	1,281	176
Rest of the world and Commonwealth of Independent States	**612**	**81**	557	76
Total	**3,230**	**426**	2,708	371

Revenue from continuing operations in different geographical areas is based on ultimate utilisation of product

b) Non current assets excluding assets classified as held for sale (other than financial instruments, deferred tax assets and non-current tax assets)

	As at March 31, 2022 ₹ in crore	As at March 31, 2022 USD in million Supplementary information- convenience translation (See Note 2(C))	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))
India	**2,027**	**267**	2,089	286
USA	**375**	**49**	394	54
Europe	**2,230**	**294**	2,015	276
Rest of the world and Commonwealth of Independent States	**275**	**36**	294	40
Total	**4,907**	**646**	4,792	656

c) Information about major customer:

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

34. LEASES

Lease liability as on the balance sheet date is as follows:

	As at March 31, 2022 ₹ in crore	As at March 31, 2021 ₹ in crore
Non-current portion	**267**	279
Current	**69**	63
Total	**336**	342

The weighted average incremental borrowing rate used for discounting is in the range of 3.37% to 10 %

Refer Note 29 for interest on lease liabilities

Also refer Note 4 for details of Right-of-Use Assets and Depreciation there on.

The summary of practical expedients elected on initial application are as follows:

The Group has availed the exemption of not recognising right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

The Group's lease asset classes primarily consist of leases for land and buildings. The leases for land/buildings are generally for a period ranging 10 years to 99 years. These leases can be extended for further 10 years to 99 years by mutual consent. 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 contingent rent payable. Certain portion of the land has been subleased.

In case of land that have been leased out for 95 years to 99 years, there are no material annual payments for the aforesaid leases.

Rental expenses on leases for a period of less than 12 months amounting to ₹ 1.41 crore (Previous year : ₹ 0.76 crore) and rent for low value assets amounting to ₹ 0.46 crore (Previous year : ₹ 1 crore) have been included under Note 30 - Other expenses under Rent.

Further, Refer Note 43 for maturity profile of lease liabilities.

35. EXPENDITURE ON RESEARCH AND DEVELOPMENT

	For the year ended March 31, 2022 ₹ in crore	For the year ended March 31, 2022 USD in million Supplementary information- convenience translation (See Note 2(C))	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))
Capital*	**158**	**21**	93	13
Revenue	**143**	**19**	172	24
	301	**40**	265	37

* Including intangible assets under development and excluding foreign currency translation reserve on intangible assets under development.

36. EMPLOYEE BENEFITS

Defined benefit plans -

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, termination of their employment or death of the Employee. 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 from Continuing and Discontinued business:

(A) Particulars	As at March 31, 2022 Gratuity (Non-funded) ₹ in crore	As at March 31, 2021 Gratuity (Non-funded) ₹ in crore
I. Expenses recognised in Profit or Loss:		
1. Current Service Cost	**3**	3
2. Interest cost	**1**	2
3. Past service cost	**–**	–
Total Expenses [(1)]	**4**	5
(1) balances pertaining to discontinued operations : Gratuity ₹ Nil (Previous year- ₹ 0.44 crore)		
II. Expenses recognised in Other Comprehensive income:		
1. Actuarial changes arising from changes in demographic assumptions	**–**	–
2. Actuarial changes arising from changes in financial assumptions*	**(1)**	–
* ₹ (1) crore (Previous year- ₹ 0.33 crore)		
3. Actuarial changes arising from changes in experience adjustments*	**2**	–
* ₹ 2 crore (Previous year- ₹ 0.14 crore)		
Total Expenses [(@)]	**1**	–
@ balances pertaining to discontinued operations : Gratuity ₹ Nil (Previous year- ₹ 0.04 crore)		
III. Net Asset/(Liability) recognised as at balance sheet date:		
1. Present value of defined benefit obligation	**30**	28
Net Asset/(Liability)	**(30)**	(28)
IV. Reconciliation of Net Asset / (Liability) recognised as at balance sheet date:		
1. Net Asset/(Liability) at the beginning of year	**(28)**	(33)
2. Expense as per (I) & (II) above	**(5)**	(5)
3. Net transfer out due to discontinuance of Domestic business	**–**	7
4. Benefit paid	**3**	3
5. Net asset/(liability) at the end of the year	**(30)**	(28)
V. Maturity profile of defined benefit obligation		
1. Within the next 12 months (next annual reporting period)	**8**	7
2. Between 2 and 5 years	**16**	15
3. Between 6 and 10 years	**9**	8
4 Weighted average duration (years)	**4**	4
VI. Quantitative sensitivity analysis for significant assumptions is as below:		
1. Increase/(decrease) on present value of defined benefit obligation at the end of the year		
(i) One percent point increase in discount rate	**(0.51)**	(0.48)
(ii) One percent point decrease in discount rate	**0.53**	0.51
(iii) One percent point increase in rate of salary increase	**0.51**	0.48
(iv) One percent point decrease in rate of salary increase	**(0.51)**	(0.46)

(A) Particulars	As at March 31, 2022 Gratuity (Non-funded) ₹ in crore	As at March 31, 2021 Gratuity (Non-funded) ₹ in crore
(v) One percent point increase in attrition rate	**0.16**	0.13
(vi) One percent point decrease in attrition rate	**(0.19)**	(0.15)
2. Sensitivity analysis method		
Sensitivity analysis is determined based on the expected movement in liability by varying a single parameter while keeping all the other parameters unchanged.		
VII. Actuarial Assumptions:		
1. Discount rate	**6.20%**	5.70%
2. Expected rate of salary increase	**3% p.a**	3% p.a
3. Attrition rate	**35% at lower service reducing to 16% at higher service**	35% at lower service reducing to 16% at higher service
4. Mortality	**Age 20 years- 0.09%; Age 30 years- 0.10%; Age 40 years- 0.17% Age 50 years- 0.44% Age 60 years- 1.12%**	Age 20 years- 0.09%; Age 30 years- 0.10%; Age 40 years- 0.17% Age 50 years- 0.44% Age 60 years- 1.12%

(a) Amount recognised as an expense in the Statement of Profit and Loss and included in Note 28 under Salaries and wages :

Gratuity ₹ 4 Crore (Previous year - ₹ 5 crore) and Leave encashment ₹ 3 crore (Previous year - ₹ 3 crore)

(The above balances include balances pertaining to discontinued operations : Gratuity ₹ Nil (Previous year- ₹ 0.44 crore); Leave encashment ₹ Nil (Previous year - ₹ 1 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 Mortality risk, withdrawal rate risk and salary risk

- Mortality risk: The present value of the Defined benefit plan liability is calculated by reference to the best estimate of the mortality plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
- Withdrawal rate risk: The plan faces the withdrawal rate risk. If the actual withdrawal rate is higher, the benefits would be paid earlier than expected.
- 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 28 - Contribution to provident and other funds :

Particulars	For the year ended March 31, 2022 ₹ in crore	For the year ended March 31, 2021 ₹ in crore
Provident fund	**12**	10
Others (Employee State insurance and other funds)*	**2**	1
* ₹ 0.46 crore in Previous year		
Total	**14**	11

Amount pertaining to discontinued operations mentioned in Note 39 ₹ Nil (Previous year - ₹ 1 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 Pinewood Laboratories 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 ₹ 13 crores (Previous year : ₹ 10 crores). The outstanding pensions creditor is ₹ 2 crore (Previous year : ₹ 1 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:

Particulars	As at March 31, 2022 ₹ in crore	As at March 31, 2021 ₹ in crore
Present value of defined benefit obligations	(448)	(473)
Fair value of plan assets	536	505
	88	32
Less: Restriction to the amount that can be recognised	(88)	(32)
	–	–

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

	As at March 31, 2022 ₹ in crore	As at March 31, 2021 ₹ in crore
Defined benefit obligation, beginning of the year	473	367
Interest expense	9	8
Benefits paid	(9)	(11)
Remeasurements: Actuarial gains and losses	(19)	78
Past service costs including curtailments	–	1
Foreign currency translation	(6)	30
Defined benefit obligation, end of the year	448	473

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

	As at March 31, 2022 ₹ in crore	As at March 31, 2021 ₹ in crore
Fair value of plan assets, beginning of the year	505	378
Interest income	10	9
Benefits paid	(9)	(11)
Contributions by employer	23	22
Remeasurements: Actuarial gains and losses	14	76
Foreign currency translation	(7)	31
Fair value of plan assets, end of the year	536	505

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

	As at March 31, 2022 ₹ in crore	As at March 31, 2021 ₹ in crore
Recognised in profit or loss:		
Net interest/(income) expense*	**(1)**	–
* [Previous year - ₹ (0.49) crore]		
	(1)	–
Recognised in other comprehensive income:		
Remeasurements actuarial gains and losses on fair value of plan asset	**(14)**	(76)
Remeasurements actuarial gains and losses on define benefit obligation	**(19)**	78
Remeasurements gains and losses- changes to the restriction on the amount that can be recognised.	**57**	21
Remeasurement of the net defined benefit plan	**24**	23

The breakup of major categories of plan assets are as follows:

	As at March 31, 2022 %	As at March 31, 2021 %
Equity instruments	**50.50**	48.10
Debt instruments	**7.60**	10.20
Annuity policy	**15.90**	17.90
Other assets	**26.00**	23.80

The return on plan assets are as follows:

	As at March 31, 2022 ₹ in crore	As at March 31, 2021 ₹ in crore
Interest income	**10**	9
Remeasurements: Actuarial gains and losses	**14**	76
Return on assets of benefit plan	**24**	85

The principal actuarial assumptions as at Balance Sheet date were:

	As at March 31, 2022 %	As at March 31, 2021 %
Discount rate	**2.65**	1.95
Expected rate of increase in salary	**3.70**	3.30
Inflation rate	**3.15**	2.55
Mortality rates		
Current pensioners at 65 - male	**21.50**	21.50
Current pensioners at 65 - female	**24.00**	24.00
Future pensioners at 65 - male	**22.50**	22.60
Future pensioners at 65 - female	**25.20**	25.10

	For the year ended March 31, 2022 ₹ in crore	For the year ended March 31, 2021 ₹ in crore
Quantitative sensitivity analysis for significant assumptions is as below:		
(Increase)/decrease on net defined benefit obligation at the end of the year		
(i) One percent point increase in discount rate	**65**	68
(ii) One percent point decrease in discount rate	**(85)**	(90)
(iii) One percent point increase in inflation rate	**(63)**	(69)
(iv) One percent point decrease in inflation rate	**52**	57

Sensitivity analysis method

Sensitivity analysis is determined based on the expected movement in liability if the assumptions were not proved to be true on different count.

37. SHARE BASED PAYMENTS TO EMPLOYEES

ESOS 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), 223,500 options @ ₹ 5/- per option (Grant 7) 76,000 options @ ₹ 5/- per option (Grant 8), and 90,750 options @ ₹ 5/- per option (Grant 9) in accordance with the provisions of Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014, to the selected employees of the Company and its subsidiaries. The method of settlement is by issue of equity shares to the selected employees who have exercised the options. The scheme shall be administered by ESOS compensation committee of Board of directors.

The options issued vests in periods ranging 11 months to 7 years 6 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:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Outstanding at beginning of the year	**553,500**	621,250
b) Granted during the year	**90,750**	–
c) Lapsed during the year (re-issuable)*	**247,675**	21,600
d) Exercised during the year (and shares allotted)*	**34,350**	46,150
e) Outstanding at the end of the year :	**362,225**	553,500
of which		
Options vested and exercisable at the end of the year	**245,925**	402,100
* weighted average exercise price ₹ 5 per share		
Range of weighted average share price on the date of exercise per share	**₹ 452 - ₹ 510**	₹ 300 - ₹ 529
Weighted average share price for the period	**₹ 466**	₹ 352
Range of weighted average fair value of options on the date of grant per share	**₹ 297 - ₹ 967**	₹ 106 - ₹ 1,950
No option have been forfeited during the year or in the previous year.		

Fair value of the options have been computed as per the Black Scholes Pricing Model

	For the year ended March 31, 2022	For the year ended March 31, 2021
The key assumptions used to estimate the fair value of options are :		
Range of stock price at the time of option grant (₹ Per share)	**₹ 301 - ₹ 971**	₹ 414 - ₹ 1,954
Range of expected life	**1 years - 8 years**	2 years - 8 years
Range of risk free interest rate	**4% - 9 %**	6% - 9 %
Range of Volatility	**36% - 88%**	36% - 88%
Range of weighted average exercise price (₹ Per share)	**₹ 5**	₹ 5
Range of Weighted average remaining contractual life	**1 year - 12 years**	0.2 years - 12 years

The working of stock prices 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.

38. REVENUE:

a) As per Ind AS 115: "Revenue from Contracts with Customers", the Group has classified its Revenue as :

– Sale of products and services: Revenue is recognised when a contractual promise to a customer (performance obligation) has been fulfilled by transferring control over the promised goods and/or services to the customer. This transfer of control is generally at a point of time of shipment to or receipt of products by the customer or when the services are performed. The amount of Revenue to be recognised is based on the consideration the Group expects to receive in exchange for its goods/ services. If the contract contains more than one obligation, the consideration is allocated based on the standalone selling price of each performance obligation.

  Rebates, discounts, commissions, chargeback and bonuses (including cash discounts offered to customers for prompt payment) are provisioned and recorded as deduction from revenue at the time the related revenue is recorded. These rebates are calculated based on the historical experience and the specific terms in individual agreements. Sales returns are recognised and recorded as deductions based on historical experience of customer returns and such other relevant factors.

– Sale of intellectual property, Assignment of New Chemical Entity and Outlicensing fees: Revenue is recognised when a contractual promise to a customer (performance obligation) has been fulfilled by transferring control to the customer taking into consideration the specific terms of the agreement and when the risk of reversal of revenue recognition is remote.

  There is no significant financing component as the credit period provided by the Group is not significant.

  Variable components such as discounts, chargeback, sales returns etc. continues to be recognised as deductions from revenue in compliance with Ind AS 115.

b) Disaggregation of Revenue from continuing operations:

Particulars (for details refer note 25)	For the year ended March 31, 2022 ₹ in crore	For the year ended March 31, 2022 USD in million Supplementary information-convenience translation (See Note 2(C))	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2021 USD in million Supplementary information-convenience translation (See Note 2(C))
Total revenue from Customers	3,210	423	2,699	370
Other Operating income	20	3	9	1
Total	3,230	426	2,708	371

Reconciliation of revenue from continuing operations as per contract price and as recognised in statement of profit and loss:

Particulars	For the year ended March 31, 2022 ₹ in crore	For the year ended March 31, 2022 USD in million Supplementary information-convenience translation (See Note 2(C))	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2021 USD in million Supplementary information-convenience translation (See Note 2(C))
Total Gross revenue, net of estimated returns and medicate rebate as refered in Note 24	5,112	674	4,628	634
Less: Discounts, rebates, chargeback and other adjustments	(1,902)	(251)	(1,929)	(264)
Revenue from contract with customers	3,210	423	2,699	370
Other Operating income	20	3	9	1
Total	3,230	426	2,708	371

39. DISCONTINUED OPERATIONS AND ASSET CLASSIFIED AS HELD FOR SALE:

During previous year, the Board of Directors, in their meeting held on June 09, 2020, concluded the Business transfer agreement ("BTA") entered into between the Company and Dr. Reddy's Laboratories Limited ("Purchaser") dated February 12, 2020 read with amendments made time to time for the transfer of the business comprising 62 products and line extensions along with related assets and liabilities, contracts, permits, intellectual properties, employees, marketing, sales and distribution of the same in the Domestic Branded Division in India, Nepal, Bhutan, Sri Lanka and Maldives, and the manufacturing facility at Baddi, Himachal Pradesh, where some of the products which are being transferred were manufactured (together the "Business Undertaking"), to the Purchaser. The consideration for the above said transfer of Business Undertaking for ₹ 1,850 crore was structured as per following :

a) an amount equal to ₹ 1,550 crore (including a deposit of ₹ 67 crore in escrow account towards adjustments for, inter alia, Net working capital, employee liabilities and certain other contractual and statutory liabilities) to be paid on the Closing Date under the BTA. The said amount has been paid by the Purchaser to the Company during the year ended March 31, 2021 including release of ₹ 63 crore out of the original escrow account of ₹67 crore and,

b) balance amount equal to ₹ 300 crore out of total consideration of ₹ 1,850 crore has been held back ("Holdback Amount"), by the Purchaser on the Closing Date (i.e., June 09, 2020) for assessment of the impact of the COVID-19 pandemic on the Business Undertaking and shall be released as equal to 2 (two) times the amount by which the revenue exceeds ₹ 480 crore from sales of the products forming part of the said Business Undertaking by the Purchaser during the 12 months post-closing date.

The profit from aforesaid Transfer of Business Undertaking (excluding the Holdback Amount of ₹ 300 crore) amounting to ₹ 1,470 crore has been shown as ' Exceptional Items - discontinued operations' during previous year ended March 31, 2021.

The Company and Purchaser, in accordance with the BTA, are in the process of determining the value of the Holdback Amount receivable, if any, by the Company. Pending determination of such amount between the parties, no gain has been recognised in the Profit and Loss account during the year ended March 31, 2022.

A) The Results of the discontinued operations for the year are presented below:

	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))
Revenue including other income	54	7
Expenses	40	5
Profit before exceptional items and tax	14	2
Exceptional items-Profit on sale of business	1,470	201
Profit before income tax	1,484	203
Income tax (expense)/credit		
Current tax- charge	312	43
Deferred tax- charge	187	26
Profit after income tax	985	135

The cash flows of the discontinued operations for the year are presented below:

	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))
Net cash inflow from operating activities	6	1
Net cash inflow from investing activities	1,534	210
Net cash inflow from financing activities	–	–

Note: The result and cash flows of the discontinued operations for the year ended March 31, 2021 is for the period April 01, 2020 to June 09, 2020

B) Assets and liabilities classified as held for sale:

	As at March 31, 2022 ₹ in crore	**As at March 31, 2022 USD in million Supplementary information- convenience translation (See Note 2(C))**	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))
Non-Current Assets:				
Property, Plant and Equipments*	**144**	**19**	144	20

* ₹ 144 crore pertains to Nutrition business as specifified in Note 32(i)

40. RELATED PARTY DISCLOSURES

As per Ind AS 24, the list of Related Parties and disclosure of transactions with these parties are given below:

a) Parties where significant influence/control exits

Other parties exercising control

Humuza Consultants *

* 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 Khorakiwala Trust **

** 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

Palanpur Holdings and Investments Private Limited

Khorakiwala Holdings and Investments Private Limited

Wockhardt Hospitals Limited

Merind Limited

Wockhardt Foundation

Carol Info Services Limited

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

Corival Lifesciences Private Limited (w.e.f. June 06, 2020)

Wockhardt Regenerative Private Limited (w.e.f. November 26, 2020)

Themisto Trustee Company Private Limited

Amalthea Consultants#

Ananke Trustee Company Private Limited holds shares in the Company in its capacity as the trustee of Amalthea Discretionary Trust (ADT) which in turn holds these shares in its capacity as the partner of the partnership firm Amalthea Consultants.

Genista Trading and Services Private Limited

Ananke Trustee Company Private Limited

Callirhoe Trustee Company Private Limited

HNZ Consultants

HNZ Discretionary trust

Amalthea Discretionary trust

Lysithea Consultants

Lysithea Discretionary trust

Key managerial personnel

H.F. Khorakiwala - Chairman

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 (resigned w.e.f. May 27, 2020)

Vinesh Kumar Jairath - Non-Executive Independent Director

Akhilesh Gupta - Non-Executive Independent Director

Rima Marphatia (Nominee Director from Export-Import Bank of India)

Huzaifa Khorakiwala - Executive Director

Murtaza Khorakiwala - Managing Director

Zahabiya Khorakiwala - Non-Executive Non-Independent Director

Relatives of Key managerial personnel

N.H. Khorakiwala

Miqdad H Khorakiwala

c) **Transactions with related parties during the year:**

(All the amounts mentioned below for the disclosure are the contractual amounts based on the arrangement with respective parties)

	For the year ended March 31, 2022 ₹ in crore	**For the year ended March 31, 2022 USD in million**	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2021 USD in million
		Supplementary information- convenience translation (See Note 2(C))		Supplementary information- convenience translation (See Note 2(C))
Key managerial personnel				
Remuneration [Chairman ₹ 2 crore (Previous year - ₹ 2 crore), Managing Director ₹ 2 crore (Previous year - ₹ 2 crore), Executive Director ₹ 2 crore (Previous year - ₹ 2 crore)]	**6**	**1**	6	1
Contribution to Provident fund [Chairman ₹ 0.45 crore (Previous year - ₹ 0.45 crore), Managing Director ₹ 0.42 crore (Previous year - ₹ 0.45 crore), Executive Director ₹ 0.42 crore (Previous year - ₹ 0.45 crore)]	**1**	**–**	1	–
Director sitting fee paid [D S Brar ₹ 0.15 crore (Previous year - ₹ 0.16 crore), Sanjaya Baru ₹ 0.14 crore (Previous year - ₹ 0.14 crore), Tasneem Mehta ₹ 0.14 crore (Previous year - ₹ 0.15 crore), Baldev Raj Arora ₹ Nil (Previous year - ₹ 0.03 crore), Aman Mehta ₹ 0.14 crore (Previous year - ₹ 0.11 crore), Vinesh Kumar Jairath ₹ 0.15 crore (Previous year - ₹ 0.15 crore), Zahabiya Khorakiwala ₹ 0.06 crore (Previous year- ₹ 0.06 crore), Rima Marphatia ₹ 0.05 crore (Previous year - ₹ 0.06 crore), Akhilesh Gupta ₹ 0.14 crore (Previous year - ₹ 0.07 crore)]	**1**	**–**	1	–
Proceeds from Right issue of Equity shares [Chairman ₹ 3 crore (Previous year - ₹ Nil), Managing Director ₹ 2 crore (Previous year - ₹ Nil) and Executive Director ₹ 1 crore (Previous year - ₹ Nil)]	**6**	**1**	–	–
Relatives of Key managerial personnel				
Proceeds from Right issue of Equity shares [N.H. Khorakiwala ₹ 0.02 crore (Previous year - ₹ Nil), Miqdad H Khorakiwala ₹ 0.01 crore (Previous year - ₹ Nil)]	**0**	**–**	–	–
Other parties exercising control				
Dividend on preference shares to Humuza Consultants	**–**	**–**	4	1
Loan taken from Humuza Consultants	**177**	**23**	335	46
Loan repaid to Humuza Consultants and other parties related to subsidiary companies	**544**	**72**	118	16
Interest cost on Loan taken from Humuza Consultants	**41**	**5**	10	1
Redemption of Non-Convertible Non-Cumulative Redeemable Preference Shares (NCCRPS) issued to Humuza Consultants	**–**	**–**	200	27
Proceeds from Right issue of Equity shares [Humuza Consultants ₹ 402 crore (Previous year - ₹ Nil) and Habil Khorakiwala Trust ₹ 15 crore (Previous year - ₹ Nil)]	**417**	**55**	–	–
Enterprise over which Key Managerial Personnel exercise significant influence/ Control				
Rent paid [Palanpur Holdings and Investments Private Limited ₹ 1 crore (Previous year - ₹ 1 crore), Carol Info Services Limited ₹ 85 crore (Previous year - ₹ 80 crore)]*	**86**	**11**	81	11
* rent paid has been disclosed as Right of use assets and Lease liabilities in accordance with Ind AS 116				
Donation given to Wockhardt Foundation*	**0**	**–**	2	–
* ₹ 0.08 crore in current year				
Donation paid to Dr. Habil Khorakiwala Education and Health Foundation (Trust)	**–**	**–**	1	–
Reimbursement of Expenses to Carol Info Services Limited	**1**	**–**	1	–
Rent and other miscellaneous income [Wockhardt Hospitals Limited ₹ 0.01 crore (Previous year - ₹ 0.06 crore), Wockhardt Foundation ₹ 0.0002 crore (Previous year - ₹ 0.002 crore), Dr. Habil Khorakiwala Education and Health Foundation (Trust) ₹ 0.0006 crore (Previous year - ₹ 0.0003 crore)]	**–**	**–**	–	–
Sale of Finished goods to Wockhardt Hospitals Limited*	**0**	**–**	**0**	–
* ₹ 0.001 crore (Previous year - ₹ 0.05 crore)				

	For the year ended March 31, 2022 ₹ in crore	For the year ended March 31, 2022 USD in million Supplementary information- convenience translation (See Note 2(C))	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))
Sale of Fixed asset [Wockhardt Regenerative Private Limited ₹ 0.03 crore (Previous year - ₹ Nil), Wockhardt Hospitals Limited ₹ Nil (Previous year - ₹ 0.16 crore)	–	–	–	–
Salary paid to the teaching staff of Wockhardt Global School	3	–	3	–
Recovery of Utility Fees from Wockhardt Global School	1	–	1	–
The Company has given school premises on lease to Wockhardt Global School without rent		–		
Premium/Dividend on preference shares to Khorakiwala Holdings and Investments Private Limited	–	–	6	1
Loan taken from [Khorakiwala Holdings and Investments Private Limited ₹ 270 crore (Previous year - ₹ 30 crore), Merind Limited ₹ 15 crore (Previous year - ₹ 45 crore), Amalthea Consultants ₹ 185 crore (Previous year - ₹ Nil), Themisto Trustee Company Private Limited ₹ 214 crore (Previous year - ₹ Nil), Ananke Trustee Company Private Limited ₹ 277 crore (Previous year - ₹ Nil), Callirhoe Trustee Company Private Limited ₹ 211 crore (Previous year - ₹ Nil)]	1,172	155	75	10
Interest on loan taken [Khorakiwala Holdings and Investments Private Limited ₹ 8 crore (Previous year - ₹ 1 crore), Merind Limited ₹ 7 crore (Previous year - ₹ 3 crore), Amalthea Consultants ₹ 8 crore (Previous year - ₹ Nil), Themisto Trustee Company Private Limited ₹ 4 crore (Previous year - ₹ Nil), Ananke Trustee Company Private Limited ₹ 4 crore (Previous year - ₹ Nil), Callirhoe Trustee Company Private Limited ₹ 2 crore (Previous year - ₹ Nil)]	33	4	4	1
Loan repaid [Khorakiwala Holdings and Investments Private Limited ₹ 49 crore (Previous year - ₹ 26 crore), Merind Limited ₹ Nil (Previous year - ₹ 33 crore), Amalthea Consultants ₹ 185 crore (Previous year - ₹ Nil), Themisto Trustee Company Private Limited ₹ 214 crore (Previous year - ₹ Nil), Ananke Trustee Company Private Limited ₹ 277 crore (Previous year - ₹ Nil), Callirhoe Trustee Company Private Limited ₹ 34 crore (Previous year - ₹ Nil)]	759	100	59	8
Rent recovery on behalf of Merind Limited*	–	–	0	–
* ₹ 0.01 crore in previous year				
Purchase of Consumables from Corival Life Sciences Private Limited*	–	–	0	–
* ₹ 0.01 crore in previous year				
Redemption of Non-Convertible Non-Cumulative Redeemable Preference Shares (NCCRPS) issued to Khorakiwala Holdings and Investments Private Limited	–	–	50	7
Redemption of Non-Convertible Cumulative Redeemable Preference Shares (NCRPS) issued to Khorakiwala Holdings and Investments Private Limited	–	–	80	11
Proceeds from Right issue of Equity shares [Amalthea Consultants ₹ 22 crore (Previous year- ₹ Nil), HNZ Consultants ₹ 23 crore (Previous year- ₹ Nil), HNZ Discretionary trust ₹ 3 crore (Previous year- ₹ Nil), Amalthea Discretionary trust ₹ 4 crore (Previous year- ₹ Nil), Lysithea Consultants ₹ 22 crore (Previous year- ₹ Nil), Lysithea Discretionary trust ₹ 5 crore (Previous year- ₹ Nil)	79	10	–	–

d) Related party balances

(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.).

	As at March 31, 2022 ₹ in crore	As at March 31, 2022 USD in million Supplementary information- convenience translation (See Note 2(C))	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))
Enterprise over which Key Managerial Personnel exercise significant influence/Control				
Trade receivables [Wockhardt Hospitals Limited ₹ 0.27 crore (Previous year - ₹ 0.37 crore), Wockhardt Foundation ₹ 0.01 crore (Previous year - ₹ 0.005 crore), Dr. Habil Khorakiwala Education and Health Foundation (Trust) ₹ 2 crore (Previous year - ₹ 1 crore)]	**2**	**–**	1	–
Trade Payables [Wockhardt Hospitals Limited ₹ 1 crore (Previous year - ₹ 1 crore), Carol Info Services Limited ₹ 4 crore (Previous year - ₹ 3 crore), Palanpur Holdings and Investments Private Limited ₹ 4 crore (Previous year - ₹ 3 crore), Merind Limited ₹ 0.01 crore (Previous year - ₹ 0.01 crore)]	**9**	**1**	6	1
Loan taken [Merind Limited ₹ 96 crore (Previous year - ₹ 74 crore), Khorakiwala Holdings and Investments Private Limited ₹ 258 crore (Previous year- ₹ 31 crore), Amalthea Consultants ₹ 7 crore (Previous year - ₹ Nil), Themisto Trustee Company Private Limited ₹ 4 crore (Previous year - ₹ Nil), Ananke Trustee Company Private Limited ₹ 4 crore (Previous year - ₹ Nil), Callirhoe Trustee Company Private Limited ₹ 179 crore (Previous year - ₹ Nil)]	**548**	**72**	105	14
Other Receivables against sale of fixed asset from Wockhardt Regenerative Private Limited *	**0**	**–**	–	–
* ₹ 0.03 crore in current year				
Security deposit given to Carol Info Services Limited - Transaction value	**56**	**7**	56	8
[Carrying amount ₹ 38 crore (Previous year - ₹ 35 crore)]				
Security deposit given to Palanpur Holdings and Investments Private Limited	**3**	**–**	3	–
Other parties exercising control				
Loan taken - Humuza Consultants	**26**	**3**	367	50

41. NON-CONTROLLING INTERESTS

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

Name	Country of incorporation	As at March 31, 2022	As at March 31, 2021
Wockhardt Bio AG	Switzerland	**14.15%**	14.15%

	As at March 31, 2022 ₹ in crore	As at March 31, 2022 USD in million Supplementary information- convenience translation (See Note 2(C))	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))
Revenue from operations	**2,210**	**292**	1,962	268
Profit / (Loss) for the year	**(247)**	**(33)**	18	2
Profit / (Loss) allocated to Non - Controlling Interests	**(35)**	**(5)**	2	–
Total comprehensive income / (loss) allocated to Non - Controlling Interests	**(30)**	**(4)**	(2)	–

	As at March 31, 2022 ₹ in crore	As at March 31, 2022 USD in million Supplementary information- convenience translation (See Note 2(C))	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))
Non current asset and current asset	**5,034**	**664**	5,003	684
Non current liabilities and current liabilities	**2,540**	**335**	2,293	314
Net assets	**2,494**	**329**	2,710	370
Net assets attributable to Non - Controlling Interests	**353**	**47**	383	52

	As at March 31, 2022 ₹ in crore	As at March 31, 2022 USD in million Supplementary information- convenience translation (See Note 2(C))	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))
Cash flows from operating activities	**700**	**92**	511	70
Cash flows (used in)/ from investing activities	**(44)**	**(6)**	4	1
Cash flows used in financing activities	**(570)**	**(75)**	(516)	(71)
Foreign currency translation differences	**(46)**	**(6)**	49	7
Net increase in cash and cash equivalents	**40**	**5**	48	7

The Group has control of 85.85% in the Wockhardt Bio AG and its subsidiaries.

42. 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.

It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

As at March 31, 2022	Carrying Value		Fair value
	Fair value through profit or loss ₹ in crore	Amortised Cost ₹ in crore	Significant observable inputs (Level 2) ₹ in crore
Financial Assets			
Investments*	**0**	**–**	**0**
* Fair value through profit or loss ₹ 0.45 crore			
Other Non-Current Financial Assets	**–**	**62**	**71**
Trade receivables	**–**	**918**	
Cash and cash equivalents	**–**	**370**	
Bank balance (other than above)	**–**	**36**	
Other Current Financial Assets	**–**	**12**	
Total	**0**	**1,398**	**71**
Total (USD in million) Supplementary information- convenience translation (See Note 2(C))	**0**	**185**	
Financial Liabilities			
Borrowings	**–**	**1,862**	
Other Non-Current Financial Liabilities	**–**	**152**	
Trade payables	**–**	**921**	
Lease Liabilities	**–**	**336**	**351**
Other Current Financial Liabilities	**–**	**554**	
Total	**–**	**3,825**	**351**
Total (USD in million) Supplementary information- convenience translation (See Note 2(C))	**–**	**505**	

As at March 31, 2021	Carrying Value		Fair value
	Fair value through profit or loss ₹ in crore	Amortised Cost ₹ in crore	Significant observable inputs (Level 2) ₹ in crore
Financial Assets			
Investments*	0	–	0
* Fair value through profit or loss ₹ 0.45 crore			
Other Non-Current Financial Assets	–	42	56
Trade receivables	–	918	
Cash and cash equivalents	–	232	
Bank balance (other than above)	–	60	
Other Current Financial Assets	–	33	
Total	**0**	**1,285**	**56**
Total (USD in million) Supplementary information - convenience translation (See Note 2(C))	0	176	
Financial Liabilities			
Borrowings	–	2,332	
Trade payables	–	696	
Lease Liabilities	–	342	363
Other Current Financial Liabilities	–	229	
Total	**–**	**3,599**	**363**
Total (USD in million) Supplementary information - convenience translation (See Note 2(C))	–	493	

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, 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 change in the unobservable inputs for unquoted Investment of Narmada Clean Tech Limited (formerly known as Bharuch Eco-Aqua Infrastructure Limited) and Bharuch Enviro Infrastructure Limited do 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
Security deposits against lease and lease laibilities	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.

43. FINANCIAL RISK MANAGEMENT

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 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 a Risk Management Committee comprising Executive Director, Managing Director and Independent Director as its members. Key risks and their mitigation arising out of periodic reviews by the Committee are assessed and reported to the Board of Directors, 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 a co-sourced model of independent Internal Audit and assurance function. There is a practice of reviewing various key select risks and report to Audit Committee from time to time. The co-sourced internal audit function carry out internal audit reviews in accordance with the approved internal audit plan and reviews the status of implementation of internal audit and assurance recommendations. Summary of Critical observations, if any, and recommendations under implementation are reported to the Audit Committee.

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.

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, 2022 and March 31, 2021, the Group did not have any significant concentration of credit risk with any external customers.

Expected credit loss assessment for customers as at 31 March 2022 and 31 March 2021:

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.

Particulars	As at March 31, 2022				As at March 31, 2021			
	Gross carrying amount ₹ in crore	Less: Expected credit losses ₹ in crore	Net carrying amount ₹ in crore	Weighted average loss rate	Gross carrying amount ₹ in crore	Less: Expected credit losses ₹ in crore	Net carrying amount ₹ in crore	Weighted average loss rate
Not due	573	(1)	572	0.17%	679	(1)	678	0.15%
Past due 1-180 days	202	(3)	199	1.49%	101	(1)	100	0.99%
Past due 181-360 days	48	(1)	47	2.08%	80	(11)	69	13.75%
More than 360 days	208	(108)	100	51.92%	215	(144)	71	66.98%
Total	1,031	(113)	918		1,075	(157)	918	
Total (USD in million) Supplementary information - convenience translation (See Note 2(C))	136	(15)	121		147	(21)	126	

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

	As at March 31, 2022 ₹ in crore	As at March 31, 2021 ₹ in crore
Opening balance	157	180
Impairment loss reversed/ utilized, net (including exchange fluctuation)	(44)	(23)
Closing balance	113	157
Closing balance (USD in million) Supplementary information - convenience translation (See Note 2(C))	15	21

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.

Cash and bank balances

The Group held cash and bank balances of ₹ 406 crore (Previous year - ₹ 292 crore). These balances are held with bank and 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 to manage short of current assets to current liabilities. The Group invests its surplus funds with bank in fixed deposit. Considering this access and ongoing business contract, Group is confident of meeting its liability as and when they are due.

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.

(₹ in crore)

As at March 31, 2022		Contractual cash flows			
	Carrying amount	Total	0-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities					
Borrowings (other than loan from related party)*	1,288	1,423	1,007	415	1
Loan from related party	574	574	574	–	–
Lease Liabilities	336	426	74	315	37
Trade payables and other financial liabilities	1,627	1,721	1,484	237	–
Total	**3,825**	**4,144**	**3,139**	**967**	**38**

As at March 31, 2021		Contractual cash flows			
	Carrying amount	Total	0-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities					
Borrowings (other than loan from related party)*	1,860	2,022	1,438	583	1
Loan from related party	472	472	472	–	–
Lease Liabilities	342	461	67	289	105
Trade payables and other financial liabilities	925	925	925	–	–
Total	3,599	3,880	2,902	872	106

* It includes contractual interest payment over the tenure of the Borrowings. These floating-interest borrowings are based on interest rate prevailing as at the reporting date.

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 Groups'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.

The Group also enters into derivative contracts in order to hedge and manage its foreign currency exposures towards future loan repayment. The Group has not entered into any derivative contracts during the current and previous year.

Exposure to currency risk

The currency profile of financial assets and financial liabilities (including intercompany receivables and payables) as at March 31, 2022 and March 31, 2021 are as below:

Particulars	Currency	As at March 31, 2022		As at March 31, 2021	
		Amount in Foreign Currency (in million)	₹ in crore	Amount in Foreign Currency (in million)	₹ in crore
Loan Availed	EUR*	–	–	0	1
	USD	11	86	33	240
Trade Receivables	ACU	–	–	–	–
	AUD*	0	0	0	0
	AED*	0	0	–	–
	EUR	6	49	3	27
	GBP	15	152	54	547
	USD	126	958	102	749
	RUB	201	18	179	17
	MXN	65	25	65	23
Loans and Other Receivables	EUR	–	–	46	395
	USD	10	79	10	73
	CHF*	0	0	0	0
	GBP*	0	2	0	0
	AED	–	–	–	–
Trade payables and Other Liabilities	ACU*	0	0	0	0
	AUD	1	5	1	3
	EUR	22	188	11	97
	GBP	28	279	34	341
	MXN	13	5	13	5
	USD	38	287	12	87
	JPY*	1	0	2	0
	CAD*	0	0	0	0
	CHF	2	15	2	14
	AED	1	1	1	1
	SEK*	0	0	–	–
	RUB	141	13	55	5
Bank	GBP	3	26	5	47
	EUR	2	16	0	3
	USD	1	5	2	12
	JPY	–	–	–	–
	AED*	0	0	0	0
	CHF*	0	3	0	1
	AUD*	0	0	0	0

* less than ₹ 0.5 crore

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against foreign currency at March 31 would have affected the measurement of financial instruments denominated in that foreign currency 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.

(₹ in crore)

Effect in ₹ March 31, 2022	Profit or loss before tax Gain/(Loss)		Equity, gross of tax Increase/ (Decrease)	
	Strengthening	Weakening	Strengthening	Weakening
5% movement				
USD	**36**	**(36)**	**34**	**(34)**
GBP	**(5)**	**5**	**(5)**	**5**
EUR	**(6)**	**6**	**(6)**	**6**
RUB*	**–**	**–**	**–**	**–**
MXN	**1**	**(1)**	**1**	**(1)**
Others	**(1)**	**1**	**(1)**	**1**
Total	**25**	**(25)**	**23**	**(23)**

*₹ 0.28 crore, ₹ (0.28) crore, ₹ 0.28 crore, ₹ (0.28) crore respectively

(₹ in crore)

Effect in ₹ March 31, 2021	Profit or loss before tax Gain/(Loss)		Equity, gross of tax Increase/(Decrease)	
	Strengthening	Weakening	Strengthening	Weakening
5 % movement				
USD	34	(34)	30	(30)
GBP	13	(13)	13	(13)
EUR	16	(16)	16	(16)
RUB	1	(1)	1	(1)
MXN	1	(1)	1	(1)
Others	(1)	1	(1)	1
Total	64	(64)	60	(60)

The Company has been receiving Advance for Supply of Goods from Wockhardt Bio AG, a majorly held foreign subsidiary of the Company {as on March 31, 2022 USD 88 million (₹ 487 crore) [Previous year- USD 88 million (₹ 484 crore) was outstanding}. In accordance with the direction of Reserve Bank of India (RBI) / Authorised Dealer (AD) Bank, such advance was supposed to be adjusted against Supply of goods by December 31, 2020. The advance amount received by the Company is accounted for only at the historical transaction exchange rate in accordance with the Ind AS 21.

The Company, as part of normal business has also been providing services including but not limited to R&D services and assignment of rights over its new chemical entities (NCE) to the aforesaid foreign subsidiary and as on March 31, 2022 USD 120 million (₹ 913 crore) [Previous year- USD 91 million (₹ 667 crore) is outstanding receivables towards the same, of which USD 74 million (₹ 564 crore) is outstanding for more than the prescribed period as per the master circulars issued by the Reserve Bank of India (RBI).

Since the Advance received as mentioned above can not be adjusted against the outstanding receivables, the Company has time to time (including as in June 2020) approached to RBI/ concerned Authorized Dealer (AD) for approval of adjustment of these receivables with the advance received from the said foreign subsidiary. The decision in this regard is yet awaited from RBI/AD.

As the Company has been submitting requisite disclosures to RBI/ AD as required under relevant statute(s) for the above, in its opinion it is in compliance with applicable regulations. Any decision for the aforesaid adjustment will depend on RBI/ AD's final decision/ approval of the matter which is presently awaited.

Pending receipt of this approval, these balances are reported gross in the balance sheet and the receivables are restated at year end exchange rate, whereas the advance for supply of goods is accounted at the historical transaction exchange rate in accordance with the requirements of Ind AS 21. On receipt of the RBI approval, Company may need to recognise foreign exchange translation loss on the advance of USD 88 million depending on the then prevailing exchange rate.

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 Company is as follows.

(₹ in crore)

	Nominal amount	
	As at March 31, 2022	As at March 31, 2021
Variable-rate instruments		
Financial liabilities	983	1,836
	983	1,836
Fixed-rate instruments		
Financial liabilities	879	496
	879	496

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.

(₹ in crore)

Variable-rate instruments	Impact on Profit/(loss)- Increase/(Decrease) in Profit (before tax)	
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
100 bp increase	(10)	(18)
100 bp decrease	10	18

44. 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 excluding lease liabilities under Ind AS 116, less cash and cash equivalents, Bank balance and current investments. Adjusted equity comprises Total equity.

The following table summarises the capital of the Group:

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Total Borrowings	1,862	2,332
Less: Cash and cash equivalent and other bank balances	406	292
Adjusted net debt	1,456	2,040
Total equity	4,202	3,759
Adjusted equity	4,202	3,759
Adjusted net debt to adjusted equity ratio	0.35	0.54

Total equity includes gain on revaluation of land considered as a part of retained earnings in accordance with the requirements of Ind AS 101 on transition to Ind AS. Such Revaluation gain balance as on March 31, 2022 is ₹ 188 crore (Previous year: ₹ 191 crore) and is not available for distribution as dividend

45. a) The Group's New Chemical Entity ('NCE') research program continued to progress in their Clinical Trials during the Financial Year 2021-22. Development Expenses incurred during the year ₹ 149 crores (Previous Year : ₹ 74 crores) has been capitalised and included under 'Intangible assets under development' as at March 31, 2022.

b) Certain manufacturing facilities, having net book value of ₹ 556 crore (Previous year - ₹ 293 crore) and capital work-in-progress amounting to ₹ Nil (Previous year - ₹ 286 crore), of the Group are having low utilisation of assets and the Group is evaluating various alternate purposes of these assets. The Group is also working on remediation of some plants

c) (i) The Company or its subsidiary companies incorporated in India has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (Ultimate Beneficiaries) by or on behalf of the Company or its subsidiary companies incorporated in India or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The Company or its subsidiary companies incorporated in India has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company or its subsidiary companies incorporated in India shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

46. CONTINGENT LIABILITIES (claims not acknowledged as debts) 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 ₹ 45 crore (Previous year - ₹ 45 crore).(1)

(b) Demand by Income tax authorities ₹ 413 crore (Previous year - ₹ 310 crore) disputed by the Company.

(c) Demand by Sales Tax authorities (including GST) ₹ 95 crore (Previous year - ₹ 90 crore) disputed by the Company.(1)

(d) Demand by Service tax authorities in respect of non-payment of Service Tax on Import of certain services disputed by the Company ₹ 1 crore (Previous year - ₹ 1 crore).

(e) Demand by Municipal Corporation, Local body Tax on inputs used for manufacture of exported goods ₹ 3 crore (Previous year: ₹ 2 crore).

(f) Differential custom duty for misclassification/ penalty disputed by the Company ₹ 1 crore (Previous year - ₹ 1 crore).

(g) Differential MEIS for misclassification disputed by the Company ₹ 9 crore.

(h) Others matters:

- electricity expense ₹ 8 crore (Previous year - ₹ 8 crore)
- remediation against the pollution of ground water ₹ 1 crore (Previous year - ₹ 1 crore)
- environmental compensation against non-compliance of water/air pollution measures ₹ 2 crore (Previous year : ₹ 2 crore)

(i) Demand from National Pharmaceutical Pricing Authority (NPPA) in respect of overcharging of certain products disputed by the Company ₹ 96 crore (Previous year - ₹ 81 crore).

(j) The Group is involved in other disputes, lawsuits, claims, inquiries and proceedings including commercial matters that arise from time to time in the ordinary course of business. The Group believes that there are no such pending matters that are expected to have any material adverse effect on its financial statements in any given accounting period. One of the subsidiary in USA has been a party in some class action suits for pricing by the Government and other private parties, against various pharma companies, wholesalers etc. The amount is not quantifiable at this stage. Based on the view of the external legal counsel, the Group believe that while it is premature to predict the outcome of the litigation, the Group has meritorious defenses and will be defending its actions vigorously.

(k) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 166 crore (Previous year - ₹ 98 crore) after deducting advance on capital account of ₹ 8 crore (Previous year - ₹ 8 crore).

(l) The customers had levied Service Level Penalties on the Group on account of significant delays in supply of goods to them. The disputed claims against these customers is ₹ 29 crore (USD 3.80 million) [Previous year - ₹ 13 crore (USD 2 million)].

(1) Note: Amounts mentioned excludes interest after the date of the order, if any.

47. RECONCILIATION OF THE OPENING AND CLOSING BALANCES OF LIABILITIES ARISING FROM FINANCING ACTIVITIES:

Particulars	As at March 31, 2022	As at April 01, 2021	Non cash changes		Reclassi-fication	Other items considered separately#	Cash flows-inflow/ (Outflow)
			Exchange fluctuation	Other non cash adjustments			
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Long-term borrowings (Net)	794	1,266	9	19	–	–	(500)
Short-term borrowings (Net)*	1,068	1,066	–	1	–	56	(55)

* Non cash changes on account of exchange fluctuation ₹ (0.21) crore
# Includes reclassification of interest accrued

Particulars	As at March 31, 2021	As at April 01, 2020	Non cash changes		Reclassi-fication	Other items considered separately	Cash flows-inflow/ (Outflow)
			Exchange fluctuation	Other non cash adjustments			
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Long-term borrowings (Net)	1,266	2,309	(21)	(10)	–	1	(1,013)
Short-term borrowings (Net)*	1,066	904	0	–	–	(5)	167

* Non cash changes on account of exchange fluctuation ₹ 0.06 crore

48. ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARIES

Name of the Entity	Net Assets i.e. total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in Crore	As % of consolidated profit or (loss)	₹ in Crore	As % of consolidated other comprehensive income	₹ in Crore	As % of total comprehensive income	₹ in Crore
Parent								
Wockhardt Limited	36.57	2,212	22.12	(140)	5.26	(1)	21.63	(141)
SUBSIDIARIES								
Indian								
1. Wockhardt Infrastructure Development Limited	3.93	238	(1.74)	11	–	–	(1.69)	11
2. Wockhardt Medicines Limited #	–	0	–	0	–	–	–	0
3. Wockhardt Biologics Limited (w.e.f. July 2, 2021) #	–	0	–	0	–	–	–	0
Foreign								
1. Z&Z Services GmbH	(0.03)	(2)	–	0	–	–	–	0
2. Wockhardt Europe Limited	0.17	10	–	0	–	–	–	0
3. Wockhardt Nigeria Limited	–	0	–	–	–	–	–	–
4. Wockhardt UK Holdings Limited	1.70	103	–	0	–	–	–	0
5. CP Pharmaceuticals Limited	6.71	406	(39.81)	252	94.74	(18)	(35.89)	234
6. CP Pharma (Schweiz) AG	0.02	1	–	0	–	–	–	0
7. Wallis Group Limited	0.48	29	–	–	–	–	–	–
8. The Wallis Laboratory Limited	(0.03)	(2)	–	0	–	–	–	0
9. Wockhardt Farmaceutica do Brasil Ltda	(0.02)	(1)	–	0	–	–	–	0
10. Wallis Licensing Limited	(0.18)	(11)	–	–	–	–	–	–
11. Wockhardt USA LLC	(1.88)	(114)	27.33	(173)	–	–	26.53	(173)
12. Wockhardt Bio AG	37.43	2,264	99.53	(630)	–	–	96.63	(630)
13. Wockhardt UK Limited	2.76	167	(1.42)	9	–	–	(1.38)	9
14. Wockpharma Ireland Limited	12.80	774	–	–	–	–	–	–
15. Pinewood Laboratories Limited	5.19	314	(3.63)	23	–	–	(3.53)	23
16. Wockhardt Holding Corp	2.79	169	0.47	(3)	–	–	0.46	(3)
17. Morton Grove Pharmaceuticals Inc	5.65	342	(2.53)	16	–	–	(2.45)	16
18. MGP Inc	0.58	35	(0.32)	2	–	–	(0.31)	2
19. Wockhardt France (Holdings) S.A.S	(11.77)	(711)	1.26	(8)	–	–	1.24	(8)
20. Laboratoires Pharma 2000 S.A.S	(0.48)	(29)	–	0	–	–	–	0
21. Laboratoires Negma S.A.S	(0.08)	(5)	–	0	–	–	–	0
22. Niverpharma S.A.S	(0.56)	(34)	0.16	(1)	–	–	0.15	(1)
23. Negma Beneulex S.A	–	0	–	–	–	–	–	–
24. Phytex S.A.S	–	0	0.16	(1)	–	–	0.15	(1)
25. Wockhardt Farmaceutica SA DE CV	(2.13)	(129)	0.16	(1)	–	–	0.15	(1)
26. Wockhardt Services SA DE CV	(0.03)	(2)	–	–	–	–	–	–
27. Pinewood Healthcare Limited	–	0	–	0	–	–	–	0
28. Wockhardt Bio (R) LLC	0.38	23	(1.74)	11	–	–	(1.69)	11
29. Wockhardt Bio Pty Ltd	0.03	2	–	0	–	–	–	0
30. Wockhardt Bio Ltd #	–	–	–	–	–	–	–	–
Sub Total	**100.00**	**6,049**	**100.00**	**(633)**	**100.00**	**(19)**	**100.00**	**(652)**
Add / (Less): Effect of Inter Company elimination/ adjustment		(1,847)		354		(8)		346
Non-controlling interests in all subsidiaries		(353)		35		(5)		30
Total	**100.00**	**3,849**	**100.00**	**(244)**	**100.00**	**(32)**	**100.00**	**(276)**

The above amount/percentage of net assets and net profit or (loss) in respect of Wockhardt Limited and its subsidiaries are determined based on the amounts of the respective entities included in consolidated financial statements before intercompany eliminations/ consolidated adjustment

Wockhardt Bio Ltd, Wockhardt Biologics Limited and Wockhardt Medicines Limited is yet to commence the business.

0 represents less than ₹ 0.50 crore

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

50. Previous year figures have been regrouped wherever necessary to conform to current year classification.

51. The Group continues to monitor the impact of COVID-19 on it businesses across the globe, its customers, vendors, employees, productions, supply chain and logistics etc. The Group has exercised due care in significant accounting judgements and estimates in relation to recoverability of receivables, investments and inventories based on the information available to date, both internal and external, while preparing the Group's financial statements for the current year.

As per our attached report of even date

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

Koosai Lehery
Partner
Membership No. 112399

Place : Mumbai
Date : May 30, 2022

Debashis Dey
Company Secretary

Pramod Gupta
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

Zahabiya Khorakiwala
Non Executive Director
DIN: 00102689

Vinesh Kumar Jairath
DIN: 00391684

Akhilesh Gupta
DIN: 00359325

Rima Marphatia
DIN: 00444343

Directors

INDEPENDENT AUDITORS' REPORT

To the Members of Wockhardt Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Wockhardt Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

The Key Audit Matter	**How the matter was addressed in our audit**
The Company recognises revenue from sale of goods when control over the goods is transferred to the customer. The actual point in time when revenue is recognised varies depending on the specific terms and conditions of the sale contracts entered into with customers. Revenue is a key performance indicator of the Company and there is risk of overstatement of revenue due to fraud resulting from pressure to achieve targets, earning expectations or incentive schemes linked to performance. Given the risk of overstatement of revenue due to fraud, this is a key audit matter. Refer note 3(j) of accounting policy and note 39 in standalone financial statements.	Our audit procedures included the following: • We have assessed the Company's accounting policies relating to revenue recognition by comparing with applicable accounting standards. • We have evaluated the design, implementation and operating effectiveness of the Company's key internal control over revenue recognition. • We have examined the samples, selected using statistical sampling, of revenue recorded during the year with the underlying documentation. • We have performed cut off procedures by selecting samples, using statistical sampling, of revenue recorded as at the period end. • We have examined the manual journals posted to revenue during the year to identify unusual or irregular items. • We have assessed the adequacy of the disclosures made in respect of revenue from sale of goods.

Assessment of recoverability of carrying value of certain Property, Plant and Equipment and Capital Work in progress

The Key Audit Matter	How the matter was addressed in our audit
Certain property, plant and equipment of the Company is affected by lower capacity utilization. Further, the Company has made investments in certain projects which has been deferred. These are lying in capital work in progress. The Company's investment in these facilities was made considering market feasibility and potential of existing / future products. As at 31 March 2022, carrying value of such Property, Plant and Equipment and Capital Work in Progress amounts to ₹ 455 crores and ₹ 58 crore respectively Given the significance of carrying value and judgement involved in assessing the recoverability of such facilities this is considered to be a key audit matter. Refer note 3(d) and 3(q) of accounting policy and note 4, 40 and 48(a) in standalone financial statements	Our audit procedures included the following: • We have assessed the Company's accounting policies relating to impairment by comparing with applicable accounting standards. • We have inquired the progress made on remediation work for facilities impacted due to regulatory approvals with key managerial personnel. • We have verified the reports of physical verification of property, plant and equipment and capital work in progress by the Company. • We have assessed the capabilities and objectivity of the experts (internal and external) used by the Company in the process of verification of assets, assessing the usability of assets and determining recoverable amounts, where required. • We have evaluated the basis applied by the Company in determining cash generating unit for impairment testing purpose. • We have challenged the significant assumptions considered by the Company while making impairment assessment with respect to revenue forecast, margin and discount rate. • We have involved our valuation specialists to assess the valuation methodologies applied by the Company to determine the recoverable amount for certain assets.

Recoverability of carrying value of Intangible assets under development

The Key Audit Matter	How the matter was addressed in our audit
The Company has intangible under development amounting ₹ 756 Crore as at 31 March 2022. These acquired intangible under development is in relation to the New Chemical Entities (NCE). Company has acquired NCE amounting to ₹ 336 Crore during the current year. The carrying value of such intangible under development is tested for recoverability, based on the estimates future cash flows, market conditions, etc. Changes in these assumptions could lead to an impairment to the carrying value of these intangible under development Given the significance of the amount involved and the estimates and judgement involved in assessment of their recoverability, this is considered to be a key audit matter. Refer note 3(b) of accounting policy and note 5 in standalone financial statements.	Our audit procedures included the following: • We have assessed the Company's accounting policies relating to intangible under development by comparing with applicable accounting standards. • We have inquired the progress made on NCE development with the key managerial personnel. • We have inspected the correspondences with regulatory authorities, third parties, scientific documentation and the market release made by the Company. • We have evaluated the Company's assessment of estimated future cash flows relating to the NCE project and their recoverability plans. • We have obtained and verified the purchase agreement for NCE acquired during the year. • We have assessed the capabilities and objectivity of the external expert used by the Company in determining the fair value of the NCE purchased during the year.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditors' 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:

   a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 45 to the standalone financial statements;

   b) The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

      - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or

      - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d)(i) and (d)(ii) contain any material mis-statement.

e) The Company has neither declared nor paid any dividend during the year.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Koosai Lehery
Partner
Membership No.: 112399
ICAI UDIN: 22112399AJWETT7833

Place : Mumbai
Date : 30 May 2022

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2022

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2022, we report the following

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value (INR in crs)	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company
Freehold land	0.31	Mr. Habil Khorakiwala	Promoter & Director	18 years	The Company is in the process of transferring the assets in the name of the Company
Building	0.91	Former employees	Former employees	26 years	

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year -end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except as follows:

Quarter	Name of bank	Particulars	Amount as per books of account (INR in crores)	Amount as reported in the quarterly return/ statement (INR in crores)	Amount of difference (INR in crores)	Whether return/ statement subsequently rectified
Sep-21	-State Bank of India -ICICI Bank Limited -Punjab National Bank -IDBI Bank Limited -Bank of Baroda	Trade Receivables	1,031.94	1059.83	(27.89)	No

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made an investment of ₹ 0.05 crores in a company. The Company has not made any investments in firms, limited liability partnership or any other parties.

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2022

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not granted any loans to subsidiaries or to a party other than subsidiaries. Accordingly, clause (iii)(c) to (iii)(f) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investment made during the year is, prima facie, not prejudicial to the interest of the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013 in respect of its manufactured goods (and/or services provided by it) and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' state insurance, Income-tax, duty of customs, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed statutory dues in respect of provident fund, employees' state insurance, income-tax, goods and services tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, details of dues of Income-tax, Sales-tax, Service tax, Duty of Excise, Goods and Services tax, Customs Duty and Value added tax which have not been deposited as at 31 March 2022 on account of disputes are given in Enclosure I to this report.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) Loans (including interest) amounting to INR 574 crores are repayable on demand and terms and conditions for payment of interest thereon have not been stipulated. According to the information and explanations given to us, such loans and interest thereon have not yet been demanded for repayment during the relevant financial year. In respect of other loans and borrowings and interest thereon, according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of any other loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under Companies Act, 2013.

(f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under Companies Act, 2013).

(x) (a) In our opinion and according to the information and explanations given to us, the Company has utilised the money raised by way of initial public offer/ further public offer (including debt instruments) for the purposes for which they were raised except for an amount of ₹ 189 crore which is unutilized as on the balance sheet date and parked in bank accounts.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2022

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has incurred cash losses of ₹ 46 crores in the current year. The Company has not incurred cash losses in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Koosai Lehery
Partner
Membership No.: 112399
ICAI UDIN: 22112399AJWETT7833

Place : Mumbai
Date : 30 May 2022

ENCLOSURE I TO ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2022

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	Goods destroyed in fire accident.	4.44	April 2005 to March 2009	CESTAT, Ahmedabad
	Demand, Interest and Penalty towards exemption availed in EOU Unit.	21.22	May 2004 to March 2007	CESTAT, Mumbai
	Demand, Interest and Penalty for exempted goods cleared.	18.96	November 2006 to April 2013	CESTAT, Mumbai
	Education cess on Export Consignments	0.02	April 2005 to March 2006	Joint Commissioner
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
	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	1.43	2007-08 UP 2014-15	Commissioner (Appeals), West Bengal
Kerala VAT Act	Demand under Section 21	0.16	April 2011 to March 2014	Commissioner (Appeals), Kerala
Gujarat VAT Act	Additional tax on Fuel consumption	0.60	April 2010 to March 2013	Joint Commissioner (Appeals), Gujarat
Central Sales Tax/ VAT Act	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	Maharashtra Sales Tax Tribunal
	Demand under CST Act	0.41	April 2009 to March 2010	Maharashtra Sales Tax Tribunal
	Demand and Penalty under MVAT Act	0.71	April 2009 to March 2010	Maharashtra Sales Tax Tribunal
	Demand and Penalty under MVAT Act	19.39	April 2010 to March 2011	Maharashtra Sales Tax Tribunal
	Demand and Penalty under CST Act	2.59	April 2010 to March 2011	Maharashtra Sales Tax Tribunal
	Demand under CST Act	6.28	April 2011 to March 2012	Maharashtra Sales Tax Tribunal
	Demand under MVAT Act	7.85	April 2011 to March 2012	Maharashtra Sales Tax Tribunal
	Demand and Penalty under MVAT Act	8.72	April 2012 to March 2013	Maharashtra Sales Tax Tribunal
	Demand under MVAT Act	0.76	April 2012 to March 2013	Maharashtra Sales Tax Tribunal
	Demand under MVAT Act	4.16	April 2013 to March 2014	Maharashtra Sales Tax Tribunal

ENCLOSURE I TO ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2022

Name of the statute	Nature of dues	Amount* (₹ in crore)	Period to which the amount relates	Forum where dispute is pending
	Demand under CST Act	0.27	April 2013 to March 2014	Maharashtra Sales Tax Tribunal
	Demand under MVAT Act	14.03	April 2014 to March 2015	Joint Commissioner (Appeals)
	Demand under CST Act	1.40	April 2014 to March 2015	Joint Commissioner (Appeals)
	Demand under MVAT Act	4.09	April 2015 to March 2016	Deputy Commissioner
	Demand under CST Act	0.13	April 2015 to March 2016	Deputy Commissioner
	Demand under MVAT Act	3.91	April 2016 to March 2017	Joint Commissioner (Appeals)
	Demand under CST Act	0.55	April 2016 to March 2017	Joint Commissioner (Appeals)
	Demand under MVAT Act	0.79	April 2017 to March 2018	Joint Commissioner (Appeals)
	Demand under CST Act	0.31	April 2017 to March 2018	Joint Commissioner (Appeals)
	Demand Under MVAT Act	1.25	1992-93 to 1997-98	Joint Commissioner (Appeals)
Goods and Services Tax Act, 2017	Interest on late filing of GST returns of Himachal Pradesh for the period Jul'17 to Dec'17 due to technical glitches on GST portal	0.59	July 2017 to December 2017	Pending with First appellate authority
	Recovery of excess refund issued on account of exports value was wrongly considered i.e. lower of statement-2 and FOB value.	1.66	April 2018 to March 2019	Pending with First appellate authority
	Demand for GST, Penalty and Interest towards short / non payment of taxes on account of certain products, transitional credits.	0.24	April 2017 to March 2018	Assistant Commissioner, CGST Audit Commissionerate
	Authorities are challenging the ITC credit received from Input Service distributors in 2019-20 and refund is rejected on technical glitch in GSTN portal.	2.06	April 2019 to March 2020	Additional Commissioner (Appeals)
The Finance Act, 1994 (Service Tax)	Interest and penalty on non-payment of Service Tax on Import of certain services	0.81	April 2005 to March 2010	CESTAT, Mumbai
	Interest on non-payment of Service Tax on Import of certain services	0.07	April 2011 to March 2012	CESTAT, Mumbai
Custom Act, 1962	Customs Duty, Penalty and Interest	0.39	June 2012 to November 2014	CESTAT, Mumbai
	Customs Duty, Penalty and Interest	0.25	January 2013 to March 2015	CESTAT, Mumbai

ENCLOSURE I TO ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2022

Name of the statute	Nature of dues	Amount* (₹ in crore)	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Demand under Section 143(3)	4.04	FY 2003-04	High Court
	Demand under Section 143(3)	26.02	FY 2006-07	High Court
	TDS Assessment order u/s 201/201(A)	1.99	FY 2009-10	Commissioner of Income Tax (Appeals) - TDS
	Demand under Section 143(3)	20.17	FY 2010-11	Commissioner of Income Tax (Appeals)
	Demand under Section 143(3)	253.12	FY 2011-12	Commissioner of Income Tax (Appeals)
	Demand under Section 143(3)	Nil	FY 2012-13	Income Tax Appellate Tribunal
	Demand under Section 143(3)	Nil	FY 2013-14	Commissioner of Income Tax (Appeals)
	TDS (TRACES)	0.31	January 2012 to December 2017	TDS officers
	TDS Assessment order u/s 201/201(A)	43.51	FY 2012-13	Commissioner of Income Tax (Appeals) - TDS
	TDS Assessment order u/s 201/201(A)	36.30	FY 2013-14	Commissioner of Income Tax (Appeals) - TDS
	TDS Assessment order u/s 201/201(A)	46.33	FY 2014-15	Commissioner of Income Tax (Appeals) - TDS
	Demand under Section 143(3)	Nil	FY 2016-17	Commissioner of Income Tax (Appeals)
	Demand under Section 143(3)	Nil	FY 2017-18	Commissioner of Income Tax (Appeals)

Note 1: The aforesaid amounts under Income Tax Act, 1961 are net off the below claims made by the assessee, pending formal acceptance by the tax authorities for the relevant benefit.

Financial Year	Amount (in Crs)	Pending acceptance by Tax authorities for
2012-13	67.29	Order giving effect ('OGE') to the favourable order of CIT(A) and rectification effect arising out of order for FY 2011-12
2010-11	27.33	Eligibility for entitlement and set-off of MAT credit utilisation, arising out of the effect of OGE to the favourable order of CIT(A) for FY 2009-10
2013-14	21.00	Rectification application for granting credit for TDS deducted by non-resident
2016-17	65.74	Rectification application for adjusting brought forward Losses for FY 2015-16
2017-18	36.21	Rectification application for adjusting MAT entitlement Credit for FY 2013-14 and FY 2014-15

Note 2: The aforesaid amounts under Income Tax Act, 1961 does not include demand against which the favorable order has been received by the assesse but has been further appealed by tax authorities at higher level.

Financial Year	Amount (in Crs)	Forum where dispute is further appealed
2000-01	5.00	High Court
2004-05	12.68	High Court
2007-08	0.45	High Court

* Out of the above, amount paid/adjusted under protest by the Company for Excise, VAT, Service tax, Custom Duty, GST and income tax is ₹ 0.47 Crore, ₹ 44.64 Crores, ₹ 0.15 Crores, ₹ 0.22 Crores, ₹ 3.72 Crores and ₹ 85.71 Crores.

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF WOCKHARDT LIMITED FOR THE YEAR ENDED 31 MARCH 2022

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (2A(f)) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Wockhardt Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to standalone financial statements 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Koosai Lehery
Partner
Membership No.: 112399
ICAI UDIN: 22112399AJWETT7833

Place : Mumbai
Date : 30 May 2022

WOCKHARDT | LiFE WiNS

BALANCE SHEET

As at March 31, 2022

(All amounts are in INR Crore, except per share data and unless stated otherwise)

	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	**1,273**	1,057
Right of use assets	4	**471**	524
Capital work-in-progress	4	**69**	307
Intangible assets	5	**84**	103
Intangible assets under development	5	**756**	409
Financial Assets			
Investments in subsidiaries	6	**297**	297
Other investments *	6	**–**	–
*₹ 0.45 crore (Previous year - ₹ 0.45 crore)			
Other non-current financial assets	7	**61**	42
Non-current tax assets (Net)		**94**	96
Deferred tax assets (Net)	8	**204**	155
Other non-current assets	9	**101**	66
		3,410	3,056
CURRENT ASSETS			
Inventories	10	**387**	348
Financial assets			
i. Trade receivables	11	**1,292**	955
ii. Cash and cash equivalents	12.1	**172**	79
iii. Bank balances (other than cash and cash equivalents)	12.2	**35**	59
iv. Other current financial assets	13	**82**	66
Other current assets	14	**276**	188
Assets classified as held for sale	31	**144**	144
		2,388	1,839
Total Assets		**5,798**	4,895
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	15	**72**	55
Other equity		**2,140**	1,551
		2,212	1,606
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities			
Borrowings	16	**146**	259
Lease liabilities	33	**359**	394
Provisions	17	**32**	33
		537	686
CURRENT LIABILITIES			
Financial liabilities			
i. Borrowings	18	**1,444**	1,354
ii. Lease liabilities	33	**75**	71
iii. Trade payables	19		
Total outstanding dues of micro enterprises and small enterprises		**45**	22
Total outstanding dues of creditors other than micro enterprises and small enterprises		**537**	383
iv. Other current financial liabilities	20	**280**	152
Other current liabilities	21	**638**	526
Provisions	22	**28**	31
Current tax liabilities (Net)		**2**	64
		3,049	2,603
Total Liabilities		**3,586**	3,289
Total Equity and Liabilities		**5,798**	4,895
Significant Accounting policies	3		
The accompanying notes form an integral part of these financial statements			

As per our attached report of even date

For and on behalf of the Board of Directors

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

Koosai Lehery
Partner
Membership No. 112399

Debashis Dey
Company Secretary

Pramod Gupta
Chief Financial Officer

Place : Mumbai
Date : May 30, 2022

H. F. Khorakiwala
Chairman
DIN: 00045608

Huzaifa Khorakiwala
Executive Director
DIN: 02191870

Murtaza Khorakiwala
Managing Director
DIN: 00102650

Zahabiya Khorakiwala
Non Executive Director
DIN: 00102689

Vinesh Kumar Jairath
DIN: 00391684

Akhilesh Gupta
DIN: 00359325

Rima Marphatia
DIN: 00444343

Directors

STATEMENT OF PROFIT AND LOSS

For the Year ended March 31, 2022

(All amounts are in INR Crore, except per share data and unless stated otherwise)

		Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
	INCOME FROM CONTINUING OPERATIONS			
I	Revenue from Continuing operations	23	**1,372**	987
II	Other income	24	**38**	41
III	**Total Income (I + II)**		**1,410**	1,028
IV	**Expenses from Continuing operations**			
	Cost of materials consumed		**283**	253
	Purchase of Stock-in-Trade		**191**	165
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	25	**2**	(2)
	Employee benefits expense	26	**261**	293
	Finance costs	27	**273**	200
	Depreciation and amortisation expense	4 & 5	**171**	184
	Exchange fluctuation loss, net		**–**	29
	Other expenses	28	**413**	387
	Total Expenses (IV)		**1,594**	1,509
V	**Loss before exceptional items and tax from Continuing operations (III - IV)**		**(184)**	(481)
VI	**Discontinued Operations**	40		
	Profit before exceptional items and tax from Discontinued Operations		**–**	14
VII	**Exceptional items-credit/(charge)**			
	a) Continuing operations	31	**–**	(142)
	b) Discontinued Operations	40	**–**	1,470
	Total- Exceptional items		**–**	1,328
VIII	**Loss after exceptional items before tax from Continuing operations (V + VIIa)**		**(184)**	(623)
IX	**Tax expense of Continuing operations**	8		
	Current tax - credit		**–**	(136)
	Tax pertaining to earlier years		**5**	–
	Deferred tax - credit (Net)		**(49)**	(95)
X	**Net Loss from Continuing operations (VIII - IX)**		**(140)**	(392)
XI	**Profit after exceptional items before tax from Discontinued operations (VI + VIIb)**		**–**	1,484
XII	**Tax expense of discontinued operations**	8 & 40A		
	Current tax - charge		**–**	312
	Deferred tax - charge (Net)		**–**	187
XIII	**Profit from Discontinued operations (XI - XII)**		**–**	985
XIV	**Profit/(Loss) for the year (X + XIII)**		**(140)**	593
XV (i)	**Other Comprehensive Income - Continuing operations**			
	(i) Items that will not be reclassified to profit or loss- (charge)/credit Consisting of re-measurement of net defined benefit (liability)/asset * * Previous year - ₹ (0.43) crore		**(1)**	–
	(ii) Income tax relating to items that will not be reclassified to Profit or Loss - credit/(charge)* * ₹ 0.35 crore (Previous year - ₹ 0.14 crore)		**–**	–
	Other Comprehensive Income (Net of tax) from Continuing operations		**(1)**	–
XV (ii)	**Other Comprehensive Income from Discontinued operations**			
	(i) Items that will not be reclassified to profit or loss- (charge)/credit Consisting of re-measurement of net defined benefit (liability)/asset* *₹ Nil [Previous year - ₹ (0.04) crore]		**–**	–
	(ii) Income tax relating to items that will not be reclassified to Profit or Loss - credit/(charge)* *₹ Nil (Previous year - ₹ 0.01 crore)		**–**	–
	Other Comprehensive Income (Net of tax) from Discontinued operations		**–**	–
XVI	**Total Comprehensive Income (XIV + XV (i) + XV (ii)) (Comprising Profit/(loss) and Other Comprehensive Income for the year)**		**(141)**	593
	Earnings per equity share of face value of ₹ 5 each	29		
A.	Earnings per equity share (for continuing operations)			
	Basic earnings per share (₹)		**(11.62)**	(32.63)
	Diluted earnings per share (₹)		**(11.62)**	(32.63)
B.	Earnings per equity share (for discontinued operations)			
	Basic earnings per share (₹)		**–**	82.01
	Diluted earnings per share (₹)		**–**	81.69
C.	Earnings per equity share (for continuing and discontinued operations)			
	Basic earnings per share (₹)		**(11.62)**	49.38
	Diluted earnings per share (₹)		**(11.62)**	49.19
	Significant Accounting policies	3		
	The accompanying notes form an integral part of these financial statements			

As per our attached report of even date

For and on behalf of the Board of Directors

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

Koosai Lehery
Partner
Membership No. 112399

Place : Mumbai
Date : May 30, 2022

Debashis Dey
Company Secretary

Pramod Gupta
Chief Financial Officer

H. F. Khorakiwala
Chairman
DIN: 00045608

Huzaifa Khorakiwala
Executive Director
DIN: 02191870

Murtaza Khorakiwala
Managing Director
DIN: 00102650

Zahabiya Khorakiwala
Non Executive Director
DIN: 00102689

Vinesh Kumar Jairath
DIN: 00391684

Akhilesh Gupta
DIN: 00359325

Rima Marphatia
DIN: 00444343

Directors

STATEMENT OF CHANGES IN EQUITY

For the Year ended March 31, 2022

(All amounts are in INR Crore, except per share data and unless stated otherwise)

A. Equity Share Capital

As at April 01, 2020 ₹ in crore	Changes in equity share capital during the year* ₹ in crore	As at March 31, 2021 ₹ in crore	Changes in equity share capital during the year ₹ in crore	**As at March 31, 2022 ₹ in crore**
55	–	55	17	**72**

*₹ 0.02 crore

B. Other equity

₹ in crore

	Reserves and Surplus								Total
	Capital Reserves		Capital Redemption Reserve (CRR)	Securities Premium	Share Options Outstanding Account	General Reserves	Other Reserves-FCMITDA	Retained Earnings	
	Capital Reserves (other than capital contribution)	Capital Contribution							
Balance as on April 01, 2020	**173**	**66**	**489**	**65**	**30**	**263**	**(22)**	**(125)**	**939**
Profit for the year	–	–	–	–	–	–	–	593	593
Transfer to CRR on account of Redemption of preference shares	–	–	–	–	–	–	–	(330)	(330)
Other Comprehensive income for the year - Re-measurement of net defined benefit (liability) / asset *	–	–	–	–	–	–	–	–	–
*₹ 0.32 crore recognised under Retained Earnings	–	–	–	–	–	–	–	–	–
Total comprehensive Income	–	–	–	–	–	–	–	263	263
Net additions/(deductions) on ESOP options (Also Refer note 38)	–	–	–	4	(2)	1	–	–	3
Net additions on Preference shares	–	–	–	–	–	–	–	–	–
Additions in Foreign Currency Monetary Items Translation Difference Account (FCMITDA)	–	–	–	–	–	–	7	–	7
Amortisation from Foreign Currency Monetary Items Translation Difference Account (FCMITDA)	–	–	–	–	–	–	9	–	9
Transfer from Retained earnings on account of Redemption of preference shares	–	–	330	–	–	–	–	–	330
Balance as on March 31, 2021	**173**	**66**	**819**	**69**	**28**	**264**	**(6)**	**138**	**1,551**
Loss for the year	–	–	–	–	–	–	–	(140)	**(140)**
Transfer to CRR on account of Redemption of preference shares	–	–	–	–	–	–	–	–	–
Other Comprehensive income for the year - Re-measurement of net defined benefit (liability) / asset	–	–	–	–	–	–	–	(1)	(1)
Total comprehensive Income	–	–	–	–	–	–	–	**(141)**	**(141)**
Net additions/(deductions) on ESOP options (Refer note 38)	–	–	–	1	(10)	8	–	–	(1)
Additions in Foreign Currency Monetary Items Translation Difference Account (FCMITDA)	–	–	–	–	–	–	(3)	–	(3)
Amortisation from Foreign Currency Monetary Items Translation Difference Account (FCMITDA)	–	–	–	–	–	–	8	–	8
Right Issue of Equity Shares (Refer note 15)	–	–	–	731	–	–	–	–	731
Right Issue expenses (Refer note 15)				(5)					(5)
Balance as on March 31, 2022	**173**	**66**	**819**	**796**	**18**	**272**	**(1)**	**(3)**	**2,140**

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 Promoter Group 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 equity-settled share based payment plans for certain categories of employees. Refer Note 38 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.

Significant Accounting Policies

The accompanying notes form an integral part of these financial statements

As per our attached report of even date

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

Koosai Lehery
Partner
Membership No. 112399

Debashis Dey
Company Secretary

Pramod Gupta
Chief Financial Officer

Place : Mumbai
Date : May 30, 2022

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

Zahabiya Khorakiwala
Non Executive Director
DIN: 00102689

Vinesh Kumar Jairath
DIN: 00391684

Akhilesh Gupta
DIN: 00359325

Rima Marphatia
DIN: 00444343

Directors

STATEMENT OF CASH FLOW

For the Year ended March 31, 2022

(All amounts are in INR Crore, except per share data and unless stated otherwise)

	For the year ended March 31, 2022 ₹ in crore	For the year ended March 31, 2021 ₹ in crore
CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES		
Loss before tax from Continuing Operations	**(184)**	(623)
Profit before tax from Discontinued Operations	**–**	1,484
Adjustments for:		
Profit from transfer of Business Undertaking	**–**	(1,470)
Impairment loss on nutrition business assets	**–**	142
Depreciation and amortisation expense	**171**	184
Allowance for expected credit loss, Doubtful advances and Bad debts provision	**–**	7
Reversal of allowance for expected credit loss and Bad debts recovered	**(14)**	–
Loss on assets sold/write off of fixed assets (Net) *	**2**	–
* Previous year - ₹ 0.23 crore		
Finance costs	**273**	200
Net foreign exchange fluctuation gain	**(10)**	(20)
Interest income	**(8)**	(18)
Employee share based payments expenses	**1**	2
Liabilities no longer required written back	**(2)**	(14)
Guarantee fees income	**(3)**	(8)
	226	(134)
Movements in Working capital		
Increase in Inventories	**(39)**	(30)
(Increase)/Decrease in Trade receivables	**(298)**	13
Increase in Loans and Advances and other assets	**(128)**	(52)
Increase/(Decrease) in Liabilities and provisions	**60**	(113)
Increase/(Decrease) in Trade payables	**165**	(136)
Cash used in from operations	**(14)**	(452)
Income tax paid	**(79)**	(111)
Net cash outflow from Operating activities	**(93)**	(563)
CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES		
Purchase of property, plant and equipment and Capital work-in progress	**(52)**	(17)
Proceeds from sale of property, plant and equipment	**1**	1
Purchase of Intangible assets and Intangible assets under development	**(202)**	(509)
Consideration received from Transfer of Business Undertaking, net	**–**	1,534
Investment in subsidiary*	**–**	–
₹ 0.05 crore (Previous year - ₹ Nil)		
Margin money under lien and Bank balances (other than cash and cash equivalents)	**7**	(9)
Interest received	**2**	14
Net cash (outflow)/ inflow Investing activities	**(244)**	1,014
Cash flow from/(used in) Financing activities (Refer note 46)		
Proceeds from Issuance of Equity share capital under ESOP	**–**	–
* ₹ 0.02 crore (Previous year- ₹ 0.02 crore)		

	For the year ended March 31, 2022 ₹ in crore	For the year ended March 31, 2021 ₹ in crore
Proceeds from Issuance of Equity share capital under Right Issue	**748**	–
Transaction cost related to Right Issue	**(1)**	–
Proceeds from long-term borrowings	**49**	–
Redemption of preference shares	**–**	(330)
Premium on redemption of preference shares	**–**	(24)
Issue of Non-convertible debentures	**237**	–
Repayment of long-term borrowings (other than preference shares above)	**(289)**	(191)
Short-term borrowings (net)	**(134)**	29
Loans from Related parties	**1,348**	410
Repayment of loans taken from Related parties	**(1,302)**	(149)
Repayment of Lease liabilities (refer note 3 below)	**(75)**	(72)
Finance costs paid (including preference dividend)	**(149)**	(152)
Equity Dividend paid to IEPF	**(2)**	(1)
Net cash inflow/(outflow) from Financing activities	**430**	(480)
Net Decrease in Cash and Cash equivalents	**93**	(29)
Cash and cash equivalents as at the beginning of the year	**79**	108
Cash and cash equivalents as at the end of the year	**172**	79

Reconciliation of cash and cash equivalents as per the cash flow statement

	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents as per above comprise of the following		
Cash *	**–**	–
* ₹ 0.09 crore (Previous year - ₹ 0.08 crore)		
Balance with banks:		
- in current account	**172**	79
Balance as per the Statement of cash flows	**172**	79

Notes:

1. The above statement of cash flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.
2. Income taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
3. Repayment of lease liabilities consists of:
   Payment of interest ₹ 42 crore (Previous year - ₹ 44 crore)
   Payment of Principal ₹ 33 crore (Previous year - ₹ 28 crore)
4. Refer Note 40 for cash flows of the Discontinued operations.
5. Figures in bracket indicate cash outflow.

Significant Accounting Policies

The accompanying notes form an integral part of these financial statements

As per our attached report of even date

For and on behalf of the Board of Directors

H. F. Khorakiwala
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For B S R & Co. LLP
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Koosai Lehery
Partner
Membership No. 112399

Debashis Dey
Company Secretary

Pramod Gupta
Chief Financial Officer

Place : Mumbai
Date : May 30, 2022

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Wockhardt Limited (WL or the 'Company') is a public limited company incorporated in India and has its registered office at D-4, MIDC, Chikalthana, Maharashtra, India. The Company's equity shares are listed on The Bombay Stock Exchange Limited (BSE) and The National Stock Exchange of India Limited (NSE).

The Company and its subsidiaries (the 'Group') is a Global Pharmaceutical and Biotech company with presence in USA, UK, Switzerland, Ireland, Russia and many other countries. It has manufacturing and research facilities in India, USA & UK and a manufacturing facility in Ireland and Dubai. The Company has a significant presence in USA, Europe and India.

2. BASIS OF PREPARATION OF STANDALONE FINANCIAL STATEMENTS

A. Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time and also the guidelines issued by Securities and Exchange Board of India ('SEBI'), as applicable.

These financial statements were approved by the Board of Directors and authorised for issue on May 30, 2022.

B. Functional and Presentation Currency

These financial statement are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates All the amounts have been rounded off to the nearest crore except for share data and per share data, unless otherwise stated. Till March 31, 2021 all the amount have been rounded off to the nearest crore and two decimal thereof except per share data.

C. Basis of preparation

These 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 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.
- Net defined benefit liabilities.

D. Use of Estimates and Judgments

The preparation of the standalone financial statements in conformity with Ind AS requires the management to make judgements, estimates and assumption about the reported amounts of assets and liabilities (including contingent liabilities) on the date of standalone financial statement and the reported income and expenses during the year. The management believes that the judgements and estimates used in preparation of these 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 these 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 ratein 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. The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain not to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

(iii) 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.

(iv) 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 judgmental and could change substantially over time as new facts emerge and each dispute progresses.

(v) Post-employment benefits:

The costs of providing gratuity 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 salary increases, discount rates, expected long-term rates of return on assets and mortality rates.

(vi) Sales returns and rebates:

Revenue is recognized when significant control is 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.

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 estimate, 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.

(vii) Current tax and deferred tax:

The Company's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/losses and/or cash flows.

The complexity of the Company's structure makes the degree of estimation and judgement more challenging. The resolution of issues is not always within the control of the Company and it is often dependent on the efficiency of the legal processes. Issues can, and often do, take many years to resolve. Payments in respect of tax liabilities for an accounting period result from payments on account and on the final resolution of open items.

The recognition of deferred tax assets is based upon whether it is probable that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits which are based on budgeted cash flow projections, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits.

(viii) Estimation of useful life:

The useful life used to amortise or depreciate intangible assets or property, plant and equipment respectively relates to the expected future performance of the assets acquired and management's judgement of the period over which economic benefit will be derived from asset. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the Standalone statement of profit and loss.

The useful lives of Company's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology.

(ix) Provision for inventory:

Inventory is stated at cost or net realizable whichever is lower. Provision for slow moving inventory is made based on historical experience with old inventory and the utilization plan of such inventory in the near future.

(x) Recoverability of Property, plant & equipment and capital work in progress:

Property, plant & equipment and old capital work in progress is assessed for recoverability based on management's utilization plans, technical assessment of current condition of the underlying assets. Company does a periodic physical verification and inspection of these assets using internal and external experts to determine the condition and usability of these assets.

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.

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	10 – 61 years
Plant and Equipment	4 – 21 years
Furniture and Fixtures	6 – 20 years
Office Equipments	4 – 20 years
Information Technology Equipments	3 – 20 years
Vehicles	5 years

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

Depreciation method, useful life and residual values are reviewed at each financial year end and adjusted if appropriate.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

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 is in the range of 3 - 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 it meets the conditions of development phase under Ind AS 38 "Intangible Assets" and it can be demonstrated that intangible asset under development will generate probable future economic benefits. 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 Non-financial 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 subsidiaries, associates and joint ventures are measured at cost less impairment losses if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

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.

Dividend from investments is recognised as revenue when right to receive is established.

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) 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, 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 the Company 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 the 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 (i.e. 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 a contribution from shareholder in equity (capital reserve)

(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 to 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 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 including non-creditable taxes and other levies.

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 significant control is 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. Accordingly, the timing of recognition of revenue is dependent on the specific terms agreed with the customer

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, sales tax/ Goods and Service 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 control varies depending on the individual terms of the sales agreements.

In case of certain bill and hold arrangements with a few customers, Company recognizes revenue when the goods are separately identified and are ready for physical transfer and are kept at warehouses / manufacturing plants based on specific instructions from the customer and the company cannot use these goods for any other purpose and the reason for such an arrangement is substantive.

Sale of Services, Outlicensing fees, sale of intellectual property and Assignment of New Chemical Entity

Revenues from services, Outlicensing fees and Assignment of New Chemical Entity is recognized in accordance with the terms of the relevant agreement(s) as generally accepted and agreed with the customers, and when control transfers to such customers and the Company's performance obligations are satisfied

Export Incentive

Income from Export Benefits and Other Incentives Export benefits available under prevalent schemes are accrued as revenue in the year in which the goods are exported and / or services are rendered only when there reasonable assurance that the conditions attached to them will be complied with, and the amounts will be received.

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.

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, 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

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangement s in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease

The right-of-use assets are initially recognized at cost and subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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 these 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 standalone 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) Non-current assets held for sale and discontinued operations

Non-current assets are classified as held for sale, if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable and sale is expected to be completed within one year from date of classification.

Non-current assets held for sale are presented separately in the current section of the standalone balance sheet. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell, unless these items presented in the disposal group are deferred tax assets, assets arising from employee benefits and financial assets that are specifically exempt from the requirements.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

Discontinued operations are reported when a component of the Company comprising operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Company operations is classified as held for sale or has been disposed of, if the component either (1) represents a separate major line of business or geographical area of operations and (2) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or (3) is a subsidiary acquired exclusively with a view to resale. In the standalone statement of profit and loss, income/ (loss) from discontinued operations is reported separately from income and expenses from continuing operations. The comparative standalone statement of profit and loss is re-presented; as if the operation had been discontinued from the start of the comparative period. The cash flows from discontinued operations are presented separately in Notes.

r) Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax available to equity share holders 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.

s) Segment reporting

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

t) Cash Flow statement

Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows.

u) 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 Companies Act 2013.

v) Reclassification consequent to amendments to schedule III

The Ministry of Corporate Affairs amended the schedule III to the companies Act, 2013 on 24 March 2021 to and provide additional disclosures to users of financial statements. These amendments are effective from 1 April 2021. Consequent to above, the company has made appropriate changes in the classification/presentation of prior year comparative financial information as well.

w) Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments require an entity to deduct from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use instead of recognising such sales proceeds in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

4. PROPERTY, PLANT AND EQUIPMENT

(₹ in Crore)

Particulars	Gross Block (At Cost)					Accumulated Depreciation/Impairment						Net Block	
	As at April 01, 2021	Additions/ Adjustments	Deductions	Asset held for sale (Refer note 40B)	As at March 31, 2022	As at April 01, 2021	Charge for the year	Deductions/ Adjustments	Impairment	Asset held for sale (Refer note 40B)	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Freehold Land	3	–	–	–	**3**	–	–	–	–	–	**–**	**3**	3
Buildings* * Accumulated Depreciation -Deductions during the year ₹ 0.03 crore	318	82	1	–	**399**	94	10	0	–	–	**104**	**295**	224
Plant and machinery	1,747	227	10	–	**1,964**	930	83	8	–	–	**1,005**	**959**	817
Furniture and fixtures	30	1	–	–	**31**	21	1	–	–	–	**22**	**9**	9
Vehicles	8	–	–	–	**8**	7	–	–	–	–	**7**	**1**	1
Office Equipments	13	1	–	–	**14**	13	–	–	–	–	**13**	**1**	–
Information Technology Equipments	66	4	–	–	**70**	63	2	–	–	–	**65**	**5**	3
TOTAL	**2,185**	**315**	**11**	**–**	**2,489**	**1,128**	**96**	**8**	**–**	**–**	**1,216**	**1,273**	**1,057**
Right of use assets													
Buildings	543	2	–	–	545	111	54	–	–	–	**165**	**380**	432
Leasehold Land	100	–	–	–	100	8	1	–	–	–	**9**	**91**	92
TOTAL	**643**	**2**	**–**	**–**	**645**	**119**	**55**	**–**	**–**	**–**	**174**	**471**	**524**
Capital work-in-progress	**307**	**71**	**309**	–	**69**	**–**	**–**	**–**	**–**	–	**–**	**69**	**307**

4. PROPERTY, PLANT AND EQUIPMENT (CONTD).

Particulars	Gross Block (At Cost)					Accumulated Depreciation						Net Block	
	As at April 01, 2020	Additions/ Adjustments	Deductions/ Adjustments	Asset held for sale (Refer note 40B)	**As at March 31, 2021**	As at April 01, 2020	Charge for the year	Deductions/ Adjustments	Impairment	Asset held for sale (Refer note 40B)	**As at March 31, 2021**	**As at March 31, 2021**	As at March 31, 2020
Freehold Land	92	–	–	89	**3**	–	–	–	–	–	**–**	**3**	92
Buildings	363	8	–	53	**318**	89	10	–	19	24	**94**	**224**	274
Plant and machinery	1,920	4	5	172	**1,747**	862	92	1	123	146	**930**	**817**	1,058
Furniture and fixtures	30	–	–	–	**30**	19	2	–	–	–	**21**	**9**	11
Vehicles	8	–	–	–	**8**	7	–	–	–	–	**7**	**1**	1
Office Equipments	14	–	–	1	**13**	13	1	–	–	1	**13**	**–**	1
Information Technology Equipments	64	4	–	2	**66**	62	3	–	–	2	**63**	**3**	2
TOTAL	**2,491**	**16**	**5**	**317**	**2,185**	**1,052**	**108**	**1**	**142**	**173**	**1,128**	**1,057**	**1,439**
Right of use assets													
Buildings	547	–	4	–	543	59	54	2	–	–	**111**	**432**	488
Leasehold Land	100	–	–	–	100	7	1	–	–	–	**8**	**92**	93
TOTAL	**647**	**–**	**4**	**–**	**643**	**66**	**55**	**2**	**–**	**–**	**119**	**524**	**581**
Capital work-in-progress	**305**	**6**	**4**	**–**	**307**							**307**	**305**

Notes:

4.1 Exchange differences arising on long term foreign currency monetary items relating to depreciable asset adjusted in additions/adjustments above amounts to ₹ 1 crore (Previous year - ₹ -3 crore)

4.2 Charge has been created against the aforesaid assets for the borrowings taken by the Company (Refer note 16 and 18) and its subsidiary (Refer note 45).

4.3 Details of Immovable Properties not held in the name of the Company and in the process of getting transferred in the name of the Company is as below

Category and Asset description	Gross carrying value				
	March 31, 2022	March 31, 2021	Title deeds held in the name of:	Property held since	Reason for not being held in the name of the Company
Property, Plant and Equipment					
a) Freehold land*	**–**	–	H.F Khorakiwala- Promoter and Chairman	FY 2004-05	The Company is in the process of transferring the assets in the name of the Company
b) Building	**1**	1	Former Employees	FY 1995-96	

* ₹ 0.31 crore (Previous year - ₹ 0.31 crore)

4.4 During previous year, the Company, based on its review of useful lives for certain fixed assets, has provided for an additional depreciation of ₹ 8 crore.

4.5 Capital work-in-progress ageing schedule:

Particulars	**As at March 31, 2022**					As at March 31, 2021				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress*	**65**	**3**	**–**	**1**	**69**	6	1	6	294	307

* CWIP less than 1 year includes ₹ 58 Crore (Previous year - ₹ 1 crore) incurred for contract manufacturing agreement. The supply related to this agreement has been deferred. The Company expects to capitalise these assets during FY 2022-23.

Capitalisation of previous year CWIP in current year ₹ 294 crore

5. INTANGIBLE ASSETS

(₹ in Crore)

Particulars	Gross Block (At Cost)				Accumulated Amortisation				Net Block
	As at April 01, 2021	Additions/ Adjustments	Deductions/ Adjustments	**As at March 31, 2022**	As at April 01, 2021	Charge for the year	Deductions/ Adjustments	**As at March 31, 2022**	**As at March 31, 2022**	As at March 31, 2021
"Brands/Trademarks/Technical know-how"	220	–	–	**220**	138	15	–	**153**	**67**	82
Computer software	57	1	–	**58**	36	5	–	**41**	**17**	21
TOTAL	**277**	**1**	–	**278**	**174**	**20**	**–**	**194**	**84**	**103**
Intangible assets under development	**409**	**347**	–	**756**	–	–	–	–	**756**	**409**

(₹ in Crore)

Particulars	Gross Block (At Cost)				Accumulated Amortisation				Net Block
	As at April 01, 2020	Additions/ Adjustments	Deductions/ Adjustments	**As at March 31, 2021**	**As at April 01, 2020**	Charge for the year	Deductions/ Adjustments	**As at March 31, 2021**	**As at March 31, 2021**	As at March 31, 2020
Trademarks/Technical know-how	122	109	11	**220**	122	16	–	**138**	**82**	–
Computer software	55	2	–	**57**	31	5	–	**36**	**21**	24
TOTAL	**177**	**111**	**11**	**277**	**153**	**21**	**–**	**174**	**103**	**24**
Intangible assets under development	**–**	**409**	**–**	**409**	–	–	–	–	**409**	**–**

NOTE 5.1 Intangible assets under development ageing schedule

Particulars	**As at March 31, 2022**					As at March 31, 2021			
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	More than 3 years	Total
Project in progress	**347**	**409**	**–**	**–**	**756**	**409**	**–**	**–**	**409**

The Company expects to capitalise NCE 5222 amounting ₹ 338 crore by FY 2024-25, NCE 4873 amounting ₹ 195 crore by FY 2023-24 and NCE 4282 amounting ₹ 223 crore by FY 2026-27.

6. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

Particulars	**As at March 31, 2022 ₹ in crore**	As at March 31, 2021 ₹ in crore
Investments in Subsidiaries:		
Investment in Wholly owned subsidiaries at cost		
Unquoted Equity Shares		
1,307,368 (Previous year - 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) - incorporated in British Virgin Island	**8**	8
27,504,823 (Previous year - 27,504,823) Equity shares of Wockhardt UK Holdings Limited of 1p each fully paid up - incorporated in UK	**75**	75
2,000,000 (Previous year - 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) - incorporated in India	**4**	4
50,000 (Previous year - 50,000) Equity Shares of ₹ 10 each fully paid up in Wockhardt Medicines Limited (including six fully paid-up share of par value held in the name of the nominees of the Company)- incorporated in India	**–**	–
* ₹ 0.05 crore (Previous year - ₹ 0.05 crore)		
50,000 (Previous year - Nil) Equity Shares of Wockhardt Biologics Limited of ₹ 10 each fully paid up (including six fully paid up share of par value held in the name of the nominees of the Company)- incorporated in India	**–**	–
* ₹ 0.05 crore (Previous year - ₹ Nil)		
Investment in Subsidiary at cost		
Unquoted Equity Shares		
44,600,000 (Previous year - 44,600,000) Equity Shares of Wockhardt Bio AG of CHF 1 each fully paid up- incorporated in Switzerland and holding 86% shareholding)	**210**	210
	297	297
Aggregate book value of unquoted investments	**297**	297

Particulars	As at March 31, 2022 ₹ in crore	As at March 31, 2021 ₹ in crore
Other Investments carried at fair value through profit or loss		
Unquoted Equity Shares:		
443,482 (Previous year: 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 crore (Previous year - ₹ 0.44 crore)		
(Transaction Value: ₹ 0.44 Crore; Previous year: ₹ 0.44 Crore)		
6,300 (Previous year: 6,300) Equity Shares of Bharuch Enviro Infrastructure Limited of ₹ 10 each fully paid up*	**–**	–
*₹ 0.01 crore (Previous year - ₹ 0.01 crore)		
(Transaction Value: ₹ 0.01 Crore; Previous year: ₹ 0.01 Crore)		
TOTAL*	**–**	–
*₹ 0.45 crore (Previous year - ₹ 0.45 crore)		
Aggregate book value of unquoted investments	**–**	–
TOTAL	**297**	297

7. NON-CURRENT FINANCIAL ASSETS-OTHERS

Particulars	As at March 31, 2022 ₹ in crore	As at March 31, 2021 ₹ in crore
(Unsecured, considered good unless otherwise stated)		
Security deposits (Refer note 7.1 below)	**43**	41
Deposit with maturity of more than 12 months	**16**	–
(under lien ₹ 16 crore; Previous year - ₹ 0.12 crore)		
Margin money (under lien)	**2**	1
TOTAL	**61**	42

NOTE 7.1

Includes deposits with Related parties ₹ 41 crore (Previous year - ₹ 39 crore). Also Refer note 41.

8. INCOME TAX

NOTE 8.1

Tax recognised in profit or loss for continuing operations

Particulars	For the year ended March 31, 2022 ₹ in crore	For the year ended March 31, 2021 ₹ in crore
Current tax charge/(credit)	**–**	(136)
Tax charge pertaining to earlier years	**5**	–
Deferred tax charge/(credit), net		
Origination and reversal of temporary differences including Minimum Alternate Tax (MAT) credit entitlement	**(49)**	(95)
Deferred tax charge/(credit)	**(49)**	(95)
Tax charge/(credit) for the year	**(44)**	(231)

Tax recognised in profit or loss for discontinued operations

Particulars	For the year ended March 31, 2022 ₹ in crore	For the year ended March 31, 2021 ₹ in crore
Current tax charge/(credit)	**–**	312
Deferred tax charge/(credit), net		
Origination and reversal of temporary differences including Minimum Alternate Tax (MAT) credit entitlement	**–**	187
Deferred tax charge/(credit)	**–**	187
Tax charge/(credit) for the year	**–**	499

NOTE 8.2

Tax recognised in other comprehensive income-Continuing operations

	For the year ended March 31, 2022 ₹ in crore	For the year ended March 31, 2021 ₹ in crore
Items that will not be reclassified to profit or loss		
Remeasurement of the defined benefit plans - (charge)/credit*	–	–
* ₹ 0.35 crore (Previous year - ₹ 0.14 crore)		
Total	–	–

Tax recognised in other comprehensive income-Discontinued operations

Particulars	For the year ended March 31, 2022 ₹ in crore	For the year ended March 31, 2021 ₹ in crore
Items that will not be reclassified to profit or loss		
Remeasurement of the defined benefit plans - (charge)/credit*	–	–
* ₹ Nil (Previous year - ₹ 0.01 crore)		
TOTAL	–	–

NOTE 8.3

Reconciliation of effective tax rate

Particulars	For the year ended March 31, 2022 ₹ in crore	For the year ended March 31, 2021 ₹ in crore
Profit/(Loss) before tax (a)	**(184)**	861
Tax using the Company's domestic tax rate (Current year - 34.944% and Previous year - 34.944%)	**(64)**	301
Non-deductible tax expenses	**6**	4
Current tax expense pertaining to earlier years	**5**	–
Deferred tax asset not created on losses	–	50
Remeasurement of opening deferred tax liability basis expected reversals at lower tax rate	**1**	(30)
Profit chargeable to/ utilisation of losses at lower rate	**1**	(57)
Reversal of MAT credit entitlement	**7**	–
Tax expense as per profit or loss (b)	**(44)**	268
Effective average tax rate for the year (b)/(a)	**24%**	31%

NOTE 8.4

Movement in deferred tax asset/(liabilities)

Particulars	Net balance April 01, 2021	Recognised in profit or loss	Recognised in Other Comprehensive Income	March 31, 2022		
				Net Deferred tax asset/ (liability)	Deferred tax asset	Deferred tax liability
Deferred tax asset/(liabilities)						
Property, Plant and Equipment	(200)	(27)	–	(227)	–	(227)
Unabsorbed losses	93	65	–	158	158	–
Loans and borrowings	(1)	(1)	–	(2)	–	(2)
Employee benefits	12	2	–	14	14	–
Lease arrangements	13	10	–	23	23	–
Guarantee fees	–	–	–	–	–	–
Allowance for credit loss	21	6	–	27	27	–
Other items	1	1	–	2	2	–
Tax assets/(Liabilities)	**(61)**	**56**	**–**	**(5)**	**224**	**(229)**
MAT credit entitlement	216	(7)	–	209	209	–
Net tax assets/(Liabilities)	**155**	**49**	**–**	**204**	**433**	**(229)**

Particulars	Net balance April 01, 2020	Recognised in profit or loss	Recognised in Other Comprehensive Income	March 31, 2021		
				Net Deferred tax asset/ (liability)	Deferred tax asset	Deferred tax liability
Deferred tax asset/(liabilities)						
Property, Plant and Equipment	(252)	52	–	(200)	–	(200)
Unabsorbed losses	272	(179)	–	93	93	–
Loans and borrowings	(6)	5	–	(1)	–	(1)
Employee benefits*	21	(9)	–	12	12	–
* Recognised in Other Comprehensive Income ₹ 0.15 crore						
Lease arrangements	10	3	–	13	13	–
Guarantee fees	2	(2)	–	–	–	–
Allowance for credit loss	31	(10)	–	21	21	–
Other items	2	(1)	–	1	1	–
Tax assets/(Liabilities)	**80**	**(141)**	**–**	**(61)**	**140**	**(201)**
MAT credit entitlement	167	49	–	216	216	–
Net tax assets/(Liabilities)	**247**	**(92)**	**–**	**155**	**356**	**(201)**

Notes:

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.

MAT credit balance as on March 31, 2022 amounts to ₹ 209 crore (Previous year - ₹ 216 crore). Based on existing contracts and future business prospects, it is probable that the said MAT credit and business loss will be availed 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) Aggregate carried forward tax losses for which no deferred tax has been created amounted to ₹ 142 crore (Previous year - ₹ 142 crore). These tax losses are available for set off against future taxable profits over next 8 years.

9. OTHER NON-CURRENT ASSETS

Particulars	**As at March 31, 2022 ₹ in crore**	As at March 31, 2021 ₹ in crore
Capital advances	**10**	6
Security Deposits (Refer note 9.1 below)	**14**	13
Other advances (Refer note 9.2 below)	**77**	47
TOTAL	**101**	66

The above amounts are net of provision amounting ₹ 7 crore (Previous year - ₹ 7 crore)

Note 9.1

Includes balances with Government and Semi-Government authorities amounting ₹ 11 crore (Previous year - ₹ 11 crore)

Note 9.2

Includes balances with Government authorities amounting ₹ 76 crore (Previous year - ₹ 47 crore)

10. INVENTORIES

Particulars	As at March 31, 2022 ₹ in crore	As at March 31, 2021 ₹ in crore
Raw Materials and components	**137**	104
Goods-in-transit	**3**	7
	140	111
Work-in-progress	**28**	23
Stock-in-trade	**13**	24
Finished goods	**127**	123
Stores and spares	**79**	67
TOTAL	**387**	348

Notes:

a) Inventories are valued at cost or net realizable value, whichever is lower.

b) Write down of inventories to net realisable value, and provision of slow moving and non moving items for the year ₹ 8 crore (Previous year - ₹ 35 crore). These have been recognised as an expense during the year and these provisions are included in cost of materials consumed or changes in inventory of finished goods, work-in-progress and stock-in-trade. The aforesaid balance includes balance pertaining to discontinued operations referred to in Note 40 ₹ Nil (Previous year - ₹ -1 crore).

11. CURRENT FINANCIAL ASSETS-TRADE RECEIVABLES

Particulars	As at March 31, 2022 ₹ in crore	As at March 31, 2021 ₹ in crore
Unsecured considered good	**1,306**	981
Less: Allowance for expected credit loss	**(14)**	(26)
Total	**1,292**	955
Unsecured credit impaired	**62**	58
Less: Allowance for expected credit loss	**(62)**	(58)
TOTAL	**–**	–
TOTAL	**1,292**	955

Note 11.1

The above balances include dues from private companies in which any director is a director or a member ₹ 4 crore (Previous year - ₹ 2 crore). [Also refer note 43 for information about credit risk and market risk of trade receivables]

Note 11.2

Trade Receivables ageing schedule

Particulars	As at March 31, 2022						
	Not due	Less than 6 months	6 Months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables- considered good	**234**	**209**	**232**	**78**	**101**	**452**	**1,306**
(ii) Undisputed Trade Receivables – credit impaired	**–**	**–**	**–**	**–**	**–**	**62**	**62**
	234	**209**	**232**	**78**	**101**	**514**	**1,368**
Less: Allowance for expected credit loss	**(1)**	**(3)**	**(1)**	**(2)**	**(7)**	**(62)**	**(76)**
TOTAL	**233**	**206**	**231**	**76**	**94**	**452**	**1,292**

Particulars	As at March 31, 2021						
	Not due	Less than 6 months	6 Months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables- considered good	95	285	92	116	37	356	981
(ii) Undisputed Trade Receivables – credit impaired	–	–	–	–	–	58	58
	95	285	92	116	37	414	1,039
Less: Allowance for expected credit loss	(1)	(1)	(1)	(10)	(13)	(58)	(84)
TOTAL	94	284	91	106	24	356	955

Also refer note 43 (iii) (a) with respect to application made by the Company to Reserve Bank of India/Authorised Dealer to offset the receivables with Advance received from the Subsidiary against supplies.

Note 12.1

Current Financial Assets-Cash and cash equivalents

Particulars	As at March 31, 2022 ₹ in crore	As at March 31, 2021 ₹ in crore
Bank balances		
In current accounts	172	79
Cash on hand*	–	–
* ₹ 0.09 crore (Previous year - ₹ 0.08 crore)		
TOTAL	172	79

Note 12.2

Current Financial Assets-Other bank balances

Particulars	As at March 31, 2022 ₹ in crore	As at March 31, 2021 ₹ in crore
In current accounts (balances subject to restrictions under Business transfer agreement and NCDs)	3	2
Deposits with original maturity of less than 3 months (under lien/balances subject to restrictions under Business transfer agreement and NCDs)	5	2
Deposits with original maturity of more than 3 months but less than 12 months* (under lien - ₹ 12 crore; Previous year: ₹ 0.31 crore)	12	–
* ₹ 0.32 crore in previous year		
Deposits with original maturity equal to 12 months (under lien - ₹ 1 crore; Previous year: ₹ Nil)	1	6
Deposits with original maturity of more than 12 months (under lien)	11	45
Margin money (under lien)	3	2
Unpaid dividend accounts*	–	2
* ₹ 0.50 crore in current year		
TOTAL	35	59

13. CURRENT FINANCIAL ASSETS-OTHERS

Particulars	As at March 31, 2022 ₹ in crore	As at March 31, 2021 ₹ in crore
(Unsecured, considered good unless otherwise stated)		
Other receivables (Receivable from Related party ₹ 5 crore; (Previous year ₹ Nil - Refer note 41)	13	4
Guarantee fees receivable from related party (Refer note 41)	69	62
Total	82	66

14. OTHER CURRENT ASSETS

Particulars	As at March 31, 2022 ₹ in crore	As at March 31, 2021 ₹ in crore
(Unsecured, considered good unless otherwise stated)		
Advance to suppliers (Refer note 14.1 below)	41	19
Balances with / receivable from statutory / government authorities	173	158
Contract assets (Refer note 14.3 below)	50	–
Other advances (Refer note 14.2 below)	12	11
Total	276	188

Note 14.1

Advances to Suppliers include dues from private companies in which any director is a director or a member ₹ 1 crore (Previous year - ₹ 1 crore).

Note 14.2

Other advances includes inventory of Saleable goods ₹ 1 crore (Previous year - ₹ 1 crore).

Further the above balances are net of provisions amounting ₹ 25 crore (Previous year - ₹ 25 crore)

Note 14.3

During the year, the Company has incurred ₹ 50 crore for contract assets

15. EQUITY SHARE CAPITAL

	Particulars	As at March 31, 2022 ₹ in crore	As at March 31, 2021 ₹ in crore
[a]	**Authorised share capital**		
	250,000,000 (Previous year - 250,000,000) Equity shares of ₹ 5/- each	**125**	125
		125	125

[b]	Issued, Subscribed and Paid up	As at March 31, 2022		As at March 31, 2021	
		Number of Shares	Amount ₹ in crore	Number of Shares	Amount ₹ in crore
	Equity:				
	Outstanding at the beginning of the year	**110,781,153**	**55**	110,735,003	55
	Add: Shares issued during the year on rights basis	**33,244,650**	**17**	–	–
	Add: Shares issued during the year pursuant to ESOS*	**34,350**	**–**	46,150	–
	* ₹ 0.02 crore (Previous year - ₹ 0.02 crore)				
	Outstanding as at end of the year	**144,060,153**	**72**	110,781,153	55

Notes:

a) During the year, in accordance with provisions of the Companies Act, 2013 and other related laws, the Company offered its shareholders to subscribe to a right issue of 33,244,650 equity shares at an issue price of ₹ 225 per share. The issue was fully subscribed.

Details of utilization of proceeds from Right issue is as follows:

Purpose of Utilization	Amount
Loan repayment	500
General Corporate purpose	55
	555

As on the balance sheet date, balance of ₹ 189 crore after adjusting right issue expenses has been parked in bank accounts.

b) 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.

c) **Shares reserved for issue under options:**

362,225 (Previous year - 553,500) equity shares of face value ₹ 5 each have been reserved for issue under Wockhardt Stock Option Scheme -2011.

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

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Percentage	Number of Shares	Percentage
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.*	**77,344,744**	**53.69%**	60,495,957	54.61%

* includes 42,167,000 Equity Shares (Previous year - 14,950,000) pledged

e) **Details of equity shares held by Promoter:**

Name of the Promoter	As at March 31, 2022		As at March 31, 2021		% Change during the year
	Number of Shares	% of Holding	Number of Shares	% of Holding	
Habil F Khorakiwala	**597,286**	**0.41%**	459,451	0.41%	-0.0001%
Themisto Trustee Company Private Limited	**77,344,744**	**53.69%**	60,495,957	54.61%	-0.92%
Total	**77,942,030**	**54.10%**	60,955,408	55.02%	

Name of the Promoter	As at March 31, 2021		As at March 31, 2020		% Change during the year
	Number of Shares	% of Holding	Number of Shares	% of Holding	
Habil F Khorakiwala	**459,451**	**0.41%**	4,42,785	0.40%	0.01%
Themisto Trustee Company Private Limited	**60,495,957**	**54.61%**	60,497,757	54.61%	-0.002%
Total	**60,955,408**	**55.02%**	60,940,542	55.01%	

16. NON-CURRENT FINANCIAL LIABILITY-BORROWINGS

Particulars	As at March 31, 2022 ₹ in crore	As at March 31, 2021 ₹ in crore
Secured		
Term loans		
From Banks (Refer note 16.2 below)	**51**	184
From Financial Institutions (Refer note 16.1 below)	**–**	73
Unsecured		
Other Term loan (Refer note 16.5 below)	**44**	–
Non-Convertible Debentures (Refer notes 16.3 below)	**49**	–
Loans from Department of Science and Technology, Government of India ['GOI'] (Refer notes 16.4 below)	**2**	2
TOTAL	**146**	259

Note 16.1

The term loan of USD 10 million (Previous year - USD 30 million) amounting to ₹ 76 crore (Previous year - ₹ 219 crore) is secured by first charge on pari passu basis on fixed assets, present and future, located at all locations other than Plants at Kadaiya in Daman. This term loan carries interest rate of 6 months USD LIBOR plus 325 BPS p.a. and is repayable in 2 equal quarterly instalments by July 2022.

Note 16.2

The term loan of ₹ 50 crore (Previous year - ₹ 100 crore) from IDBI Bank is secured by first charge on pari passu basis on fixed assets, present and future, located at all locations other than Plants at Kadaiya in Daman. This term loan carries interest rate at Bank Base Rate plus 75 BPS p.a. and is repayable in 2 equal half yearly instalments by December 2022.

The term loan of ₹ 45 crore (Previous year - ₹ 95 crore) 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 Plants at Kadaiya in Daman. This term loan carries interest rate at One Year's MCLR plus 185 BPS p.a and is repayable in 3 quarterly instalments (along with interest pertaining to Covid Moratorium Period) by December 2022.

Further, the term loan of ₹ 90 crore (Previous year - ₹ 130 crore) from Bank of Baroda ('BOB') is secured by first charge on pari passu basis on fixed assets, present and future, located at all locations other than Plants at Kadaiya in Daman. This term loan carries interest rate at One Year's MCLR plus 110 BPS and is repayable in 9 equal quarterly instalments by June 2024.

Note 16.3

25,000 (Previous year - Nil), 11.75% (excluding additional coupon) Unsecured Non-Convertible Debentures of ₹ 1,00,000 each aggregating ₹ 250 crore are repayable at par as per below repayment schedule:

Redemption on	No. of debentures
October, 2024	1,700
June, 2024	1,650
May, 2024	4,250
April, 2024	2,550
December, 2023	8,250
June, 2023	6,600

Put/Call option:

Put/Call option for 5,000 debentures (alloted in October 2021) will vest on June 15, 2023, and each date falling at the expiry of 6 months thereafter. For the balance 20,000 debentures (alloted in April/May 2021), the Put/Call option will vest on December 15, 2022, and each date falling at the expiry of 6 months thereafter.

Further, the above Non- Convertible Debentures are secured against pledge of 173,75,000 equity shares of Company held by 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.

Note 16.4

Loans from GOI carry interest rate of 3% p.a. Loan amounting to ₹ 3 crore (Previous year - ₹ 3 crore) is repayable in equal annual instalments by March 2029. Loan amounting to ₹ 0.42 crore has been repaid in full in October 2021.

Note 16.5

Loan others consists ₹ 50 crore (Previous year - Nil) loan from Arka Fincap Limited carrying interest rate of 11.75% p.a. repayable as per below repayment schedule:

Redemption on	Redemption amount
June, 2024	25
June, 2023	20
June, 2022	5

The above loan has been secured against pledge of 2,511,000 equity shares of Company held by 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.

Note 16.6

Current maturities of the above borrowings have been disclosed under Note 18.

17. PROVISIONS (NON-CURRENT)

Particulars	As at March 31, 2022 ₹ in crore	As at March 31, 2021 ₹ in crore
Provision for employee benefits (Refer note 37)		
Leave encashment (unfunded)	**11**	12
Gratuity (unfunded)	**21**	21
TOTAL	**32**	33

18. CURRENT FINANCIAL LIABILITY - BORROWINGS

Particulars	As at March 31, 2022 ₹ in crore	As at March 31, 2021 ₹ in crore
a) Secured		
Working capital facilities from banks (Refer Note 18.1 below)	**450**	574
Buyers' credit/Supplier's credit (Refer Note 18.2 below)	**10**	20
b) Unsecured		
Loan from related party (Refer Note 18.4 below)	**574**	472
c) Current maturities of long term debt (Refer Note 16)	**410**	288
TOTAL	**1,444**	1,354

Note 18.1

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 on immovable properties and movable fixed assets, both present and future, located at all locations (other than plants at Kadaiya in Daman).

Note 18.2

Buyers' credit/ Supplier's Credit 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 Plants at Kadaiya in Daman.

Note 18.3

Refer note 11 to 13 for carrying amount of current financial assets on which charge has been created.

Note 18.4

Loans from related parties carrying interest rate in the rate of 8.5% p.a to 11.75% p.a are repayable on demand and subject to rollover by mutual consent.

19. CURRENT FINANCIAL LIABILITY-TRADE PAYABLES

Particulars	As at March 31, 2022 ₹ in crore	As at March 31, 2021 ₹ in crore
Trade payables		
Outstanding dues of micro enterprises and small enterprises	**45**	22
Total outstanding dues of creditors other than micro enterprises and small enterprises	**537**	383
TOTAL	**582**	405
The carrying amount of trade payables as at reporting date approximates fair value		
Note 19.1 DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS PER MSMED ACT, 2006:		
a) Principal amount due to suppliers under MSMED Act, 2006	**45**	22
b) Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	**2**	1
c) Payment made to suppliers (other than interest) beyond the appointed day during the year	**30**	49
d) Interest paid to suppliers under MSMED Act (Section 16)	**–**	–
e) Interest due and payable towards suppliers under MSMED Act for payments already made	**15**	14
f) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (including interest mentioned in (e) above)	**17**	15

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

Note 19.2

Trade Payables ageing schedule:

Particulars	As at March 31, 2022					
	Not due	Less than 1 year	1-2 years	2-3 years*	More than 3 years**	Total
(i) Undisputed outstanding dues of micro enterprises and small enterprises	**14**	**31**	**–**	**–**	**–**	**45**
* 2-3 years- ₹ 0.41 crore						
** More than 3 years ₹ 0.27 crore						
(ii) Undisputed outstanding dues of creditors other than micro enterprises and small enterprises	**92**	**280**	**66**	**23**	**76**	**537**
Total	**106**	**311**	**66**	**23**	**76**	**582**

Particulars	As at March 31, 2021					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed outstanding dues of micro enterprises and small enterprises	9	13	–	–	–	22
*2-3 years- ₹ 0.0018 crore; More than 3 years- ₹ 0.30 crore						
(ii) Undisputed outstanding dues of creditors other than micro enterprises and small enterprises	90	180	39	8	66	383
Total	99	193	39	8	66	405

20. CURRENT FINANCIAL LIABILITY-OTHERS

Particulars	As at March 31, 2022 ₹ in crore	As at March 31, 2021 ₹ in crore
Unpaid dividend*	**–**	2
*₹ 0.50 crore in current year		
Other payables		
Security deposits	**14**	14

Particulars	As at March 31, 2022 ₹ in crore	As at March 31, 2021 ₹ in crore
Employee liabilities	**45**	92
Payable for capital goods	**202**	28
Other liabilities (includes interest under MSMED Act referred in Note 19.1)	**19**	16
TOTAL	**280**	152

21. OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2022 ₹ in crore	As at March 31, 2021 ₹ in crore
Payable for statutory dues	**12**	8
Advance received from Customers/Subsidiary against supplies (Refer note 41 and 43)	**626**	518
TOTAL	**638**	526

22. PROVISIONS (CURRENT)

Particulars	As at March 31, 2022 ₹ in crore	As at March 31, 2021 ₹ in crore
Provision for employee benefits (Refer note 37)		
Leave encashment (unfunded)	**5**	5
Gratuity (unfunded)	**8**	7
	13	12
Other provisions (Refer note 22.1 below)		
Provision for sales returns	**15**	19
	15	19
TOTAL	**28**	31
Note 22.1		
Movement of provision for sales return		
Opening Balance	**19**	30
Recognised during the year	**9**	16
Utilised during the year	**(13)**	(27)
Closing Balance	**15**	19

Provision has been recognised for expected sales return on date expiry of products sold during 3 years.

23. REVENUE FROM CONTINUING OPERATIONS (REFER NOTE 39 AND 41)

Particulars	For the year ended March 31, 2022 ₹ in crore	For the year ended March 31, 2021 ₹ in crore
Sale of products	**1,122**	876
Sale of services	**62**	68
Sale of intellectual property	**168**	31
Sale of Trade mark	**–**	3
Other operating income - export incentives/cost recovery	**20**	9
TOTAL	**1,372**	987

24. OTHER INCOME

Particulars	For the year ended March 31, 2022 ₹ in crore	For the year ended March 31, 2021 ₹ in crore
Interest income	8	18
Dividend received*	–	–
* ₹ 0.0014 crore (Previous year - ₹ 0.0015 crore)		
Exchange fluctuation gain, net	10	–
Other non-operating income (Refer note below)	20	23
TOTAL	38	41

Note:

Other non-operating income includes:

(a) Liabilities no longer required written back ₹ 2 crore (Previous year : ₹ 14 crore).

(b) Guarantee fees ₹ 3 crore (Previous year - ₹ 8 crore) (Refer note 41)

(c) Reversal of allowance for expected credit loss and Bad debts recovered ₹ 14 crore (Previous year - ₹ Nil)

25. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	For the year ended March 31, 2022 ₹ in crore	For the year ended March 31, 2021 ₹ in crore
Opening Inventories		
Finished goods	123	97
Stock in trade	24	9
Work-in-progress	23	58
Add: Inventory for Saleable Returns	1	5
TOTAL	171	169
Closing Inventories		
Finished goods	127	123
Stock in trade	13	24
Work-in-progress	28	23
Add: Inventory for Saleable Returns	1	1
TOTAL	169	171
Decrease/(Increase) in Inventories	2	(2)

26. EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2022 ₹ in crore	For the year ended March 31, 2021 ₹ in crore
Salaries and wages (Refer note 37)	229	269
Contribution to provident and other funds (Refer note Note 37)	14	10
Share based payments to employees (Refer note Note 38)	1	2
Staff welfare expenses	17	12
TOTAL	261	293

27. FINANCE COSTS

Particulars	For the year ended March 31, 2022 ₹ in crore	For the year ended March 31, 2021 ₹ in crore
Interest expense		
On term loan	38	54
On lease liabilities	42	44
Others	178	96
Other borrowing costs	15	6
Net loss on foreign currency transactions and translation*	–	–
* ₹ 0.13 crore (Previous year - ₹ 0.14 crore)		
TOTAL	273	200

28. OTHER EXPENSES

Particulars	For the year ended March 31, 2022 ₹ in crore	For the year ended March 31, 2021 ₹ in crore
Traveling and conveyance	**24**	17
Freight and forwarding charges	**24**	25
Sales promotion and other selling cost	**25**	12
Commission on sales	**8**	7
Power and fuel	**62**	55
Stores and spare parts consumed	**25**	27
Chemicals	**26**	19
Rent (Refer note 33 and note 41)	**31**	30
Rates and taxes	**3**	10
Repairs to buildings	**3**	2
Repairs to plant and machinery	**13**	12
Repairs and maintenance - others	**20**	18
Insurance	**12**	11
Legal and professional fees	**35**	36
Directors' sitting fees (Refer note 41)	**1**	1
Material for test batches	**7**	8
Equipment/Utility hire charges (Refer note 41)	**17**	14
Novation of Outlicensing Rights (Refer note 41)*	**–**	1
* ₹ 0.49 crore in current year		
Allowance for expected credit loss/bad debts provision	**–**	5
Miscellaneous expenses (Refer note 30 and 47)	**77**	77
TOTAL	**413**	387

29. EARNINGS PER SHARE

The calculations of Earnings per share (EPS) (basic and diluted) are based on the earnings and number of shares as computed below:

Reconciliation of earnings

Particulars	For the year ended March 31, 2022 ₹ in crore	For the year ended March 31, 2021 ₹ in crore
Loss attributable to equity holders of the Company from Continuing Operations	**(140)**	(392)
Profit attributable to equity holders of the Company from Discontinued Operations	**–**	985
Profit / (loss) attributable to equity holders of the Company	**(140)**	593

Reconciliation of number of equity shares

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Weighted average number of shares in calculating Basic EPS	**120,560,315**	120,143,716
Add: Weighted average number of shares under ESOS	**404,692**	479,264

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Earnings per share (face value ₹ 5/- each) from Continuing operations		
Earnings per share - Basic in Rupees	**(11.62)**	(32.63)
Earnings per share - Diluted in Rupees	**(11.62)**	(32.63)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Earnings per share (face value ₹ 5/- each) from Discontinued operations		
Earnings per share - Basic in Rupees	–	82.01
Earnings per share - Diluted in Rupees	–	81.69
Earnings per share (face value ₹ 5/- each)		
Earnings per share - Basic in Rupees	**(11.62)**	49.38
Earnings per share - Diluted in Rupees	**(11.62)**	49.19

Basic and diluted earnings per share for the year ended March 31, 2022 and March 31, 2021 have been adjusted appropriately for the bonus element in respect of rights issue made during the year ended March 31, 2022.

30. AUDITOR'S REMUNERATION (EXCLUDING GOODS AND SERVICE TAX)

Particulars	For the year ended March 31, 2022 ₹ in crore	For the year ended March 31, 2021 ₹ in crore
Audit Fees	**1**	1
Tax Audit Fees*	–	–
* ₹ 0.24 crore (Previous year - ₹ 0.21 crore)		
Other services**@	–	1
** ₹ 0.40 crore in current year		
Out of pocket expenses #	–	–
# ₹ 0.06 crore (Previous year - ₹ 0.06 crore)		
TOTAL	**1**	2

@ Professional services fee relating to issuance of shares on rights basis amounting to ₹ 0.30 crore has been netted off from equity during the year ended March 31, 2022. Hence, not included in above.

31. During the previous year ended March 31, 2021, the Company reassessed the commercial prospects of the Nutrition Business and decided not to pursue it in near future and therefore, the Nutrition Business assets were classified as assets held for disposal and an impairment loss of ₹ 142 crore has been recognised under the head 'Exceptional items - continuing operations'. Further the aforesaid business assets have been classified as 'Assets held for disposal' as disclosed in Note 4 and Note 40 amounting to ₹ 144 crore.

32. SEGMENT 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.

33. LEASES

Lease liability as on the balance sheet date is as follows:

	As at March 31, 2022 ₹ in crore	As at March 31, 2021 ₹ in crore
Non - current portion	**359**	394
Current	**75**	71
TOTAL	**434**	465

The weighted average incremental borrowing rate used for discounting is 10%.

Refer Note 27 for Interest on lease Liabilities.

Also refer Note 4 for details of Right-of-Use Assets and depreciation thereon.

The summary of practical expedients elected on initial application are as follows:

The Company has availed the exemption of not recognising right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

The Company's lease asset classes primarily consist of leases for land and buildings. The leases for land/buildings are generally for a period ranging 10 years to 99 years. These leases can be extended for further 10 years to 99 years by mutual consent. 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 contingent rent payable. Certain portion of the land has been subleased.

In case of land that have been leased out for 95 years to 99 years, there are no material annual payments for the aforesaid leases.

Rental expenses on leases for a period of less than 12 months amounting to ₹ 0.10 crore (Previous year - ₹ 0.09 crore) and rent for low value assets amounting to ₹ 0.46 crore (Previous year - 1 crore) have been included under "Note 28 - Other expenses" under Rent.

Further, Refer Note 43 for maturity profile of lease liabilities.

34. 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):

Guarantees given to subsidiaries:

	As at March 31, 2022		As at March 31, 2021		Purpose
	USD in Million	₹ in crore	USD in Million	₹ in crore	
Wockhardt Bio AG	–	–	75	548	Against the loan taken by the subsidiary which has been repaid during the year. (Also Refer note 45 B)

Original Guarantee given for USD 300 million (Previous year - USD 300 million)

35. CAPITAL EXPENDITURE ON RESEARCH AND DEVELOPMENT:

	For the year ended March 31, 2022 ₹ in crore	For the year ended March 31, 2021 ₹ in crore
Intangibles under development	346	409
Purchase of intellectual property	–	98
Other additions	15	1
TOTAL	361	508

36. THE AGGREGATE AMOUNT OF REVENUE EXPENDITURE INCURRED ON RESEARCH AND DEVELOPMENT AND CHARGED TO STATEMENT OF PROFIT AND LOSS IS AS UNDER:

Particulars	For the year ended March 31, 2022 ₹ in crore	For the year ended March 31, 2021 ₹ in crore
Chemicals and consumables	7	10
Employee cost	48	68
Travelling expenses	3	3
Power and fuel	6	6
Repair and maintenance	4	3
Printing and stationery*	–	–
* ₹ 0.28 crore (Previous year - ₹ 0.21 crore)		
Communication expenses*	–	–
* ₹ 0.26 crore (Previous year - ₹ 0.28 crore)		
Clinical trial expenses	8	4
Analysis expenses	1	1
Legal and professional expenses	1	1
Other Research and Development expenses	17	18
TOTAL	95	114

37. EMPLOYEE BENEFITS

(A) Defined benefit plans:

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, termination of their employment or death of the Employee. 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 from Continuing and Discontinued business:

Particulars			For the year ended March 31, 2022 Gratuity (Non-funded) ₹ in crore	For the year ended March 31, 2021 Gratuity (Non-funded) ₹ in crore
I.	**Expenses recognised in Profit or Loss:**			
	1.	Current Service Cost	**3**	3
	2.	Interest cost	**1**	2
	3.	Past service cost	**–**	–
		Total Expenses [(1)]	**4**	5
		[(1)] balances pertaining to discontinued operations : Gratuity ₹ Nil (Previous year - ₹ 0.44 crore)		
II.	**Expenses recognised in Other Comprehensive income:**			
	1.	Actuarial changes arising from changes in demographic assumptions	**–**	–
	2.	Actuarial changes arising from changes in financial assumptions*	**(1)**	–
		* ₹ 0.33 crore in previous year		
	3.	Actuarial changes arising from changes in experience adjustments*	**2**	–
		* ₹ 0.14 crore in previous year		
		Total Expenses@	**1**	–
		@ balances pertaining to discontinued operations : Gratuity ₹ Nil (Previous year - ₹ 0.04 crore)		
III.	**Net Asset /(Liability) recognised as at balance sheet date:**			
	1.	Present value of defined benefit obligation	**30**	28
		Net Asset /(Liability)	**(30)**	(28)
IV.	**Reconciliation of Net Asset / (Liability) recognised as at balance sheet date:**			
	1.	Net Asset/(Liability) at the beginning of year	**(28)**	(33)
	2.	Expense as per (I) & (II) above	**(5)**	(5)
	3.	Net transfer out due to discontinuance of Domestic business	**–**	7
	4.	Benefit paid	**3**	3
	5.	Net asset/(liability) at the end of the year	**(30)**	(28)
V.	**Maturity profile of defined benefit obligation**			
	1.	Within the next 12 months (next annual reporting period)	**8**	7
	2.	Between 2 and 5 years	**16**	15
	3.	Between 6 and 10 years	**9**	8
	4.	Weighted average duration (years)	**4**	4
VI.	**Quantitative sensitivity analysis for significant assumptions is as below:**			
	1.	Increase/(decrease) on present value of defined benefit obligation at the end of the year		
		(i) One percent point increase in discount rate	**(0.51)**	(0.48)
		(ii) One percent point decrease in discount rate	**0.53**	0.51
		(iii) One percent point increase in rate of salary increase	**0.51**	0.48
		(iv) One percent point decrease in rate of salary increase	**(0.51)**	(0.46)
		(v) One percent point increase in attrition rate	**0.16**	0.13
		(vi) One percent point decrease in attrition rate	**(0.19)**	(0.15)
	2.	Sensitivity analysis method		
		Sensitivity analysis is determined based on the expected movement in liability by varying a single parameter while keeping all the other parameters unchanged.		

Particulars			For the year ended March 31, 2022 Gratuity (Non-funded) ₹ in crore	For the year ended March 31, 2021 Gratuity (Non-funded) ₹ in crore
VII.	Actuarial Assumptions:			
	1.	Discount rate	6.20%	5.70%
	2.	Expected rate of salary increase	3% p.a	3% p.a
	3.	Attrition rate	35% at lower service reducing to 16% at higher service	35% at lower service reducing to 16% at higher service
	4.	Mortality	Age 20 years - 0.09%; Age 30 years - 0.10%; Age 40 years - 0.17% Age 50 years - 0.44% Age 60 years - 1.12%	Age 20 years - 0.09%; Age 30 years - 0.10%; Age 40 years - 0.17% Age 50 years - 0.44% Age 60 years - 1.12%

Notes:

(a) Amount recognised as an expense in the Statement of Profit and Loss and included in Note 26 under Salaries and wages : Gratuity ₹ 4 Crore (Previous year - ₹ 5 crore) and Leave encashment ₹ 3 crore (Previous year - ₹ 3 crore).

(The above balances include balances pertaining to discontinued operations : Gratuity ₹ Nil (Previous year- ₹ 0.44 crore; Leave encashment ₹ Nil (Previous year - ₹ 1 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 Mortality risk, withdrawal rate risk and salary risk

- Mortality risk: The present value of the Defined benefit plan liability is calculated by reference to the best estimate of the mortality plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
- Withdrawal rate risk: The plan faces the withdrawal rate risk. If the actual withdrawal rate is higher, the benefits would be paid earlier than expected.
- 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 26 - Contribution to provident and other funds:

Particulars	For the year ended March 31, 2022 ₹ in crore	For the year ended March 31, 2021 ₹ in crore
Provident fund	12	10
Others (Employee State insurance and other funds)*	2	1
* ₹ 0.46 crore in Previous year		
TOTAL	14	11

Amount pertaining to discontinued operations mentioned in Note 40 ₹ Nil (Previous year - ₹ 1 crore)

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

38. SHARE BASED PAYMENTS TO EMPLOYEES

ESOS 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), 223,500 options @ ₹ 5/- per option (Grant 7) 76,000 options @ ₹ 5/- per option (Grant 8), and 90,750 options @ ₹ 5/- per option (Grant 9) in accordance with the provisions of Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014, to the selected employees of the Company and its subsidiaries. The method of settlement is by issue of equity shares to the selected employees who have exercised the options. The scheme shall be administered by ESOS compensation committee of Board of directors.

The options issued vests in periods ranging 11 months to 7 years 6 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:

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
a)	Outstanding at beginning of the year	**553,500**	621,250
b)	Granted during the year	**90,750**	–
c)	Lapsed during the year (re-issuable)*	**247,675**	21,600
d)	Exercised during the year (and shares allotted)*	**34,350**	46,150
e)	Outstanding at the end of the year:	**362,225**	553,500
	of which Options vested and exercisable at the end of the year	**245,925**	402,100
* weighted average exercise price ₹ 5 per share			
Range of weighted average share price on the date of exercise per share		**₹ 452 – ₹ 510**	₹ 300 – ₹ 529
Weighted average share price for the period		**₹ 466**	₹ 352
Range of weighted average fair value of options on the date of grant per share		**₹ 297 – ₹ 967**	₹ 106 – ₹ 1,950

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
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)	**₹ 301 – ₹ 971**	₹ 414 – ₹ 1,954
Range of expected life	**1 year – 8 years**	2 years – 8 years
Range of risk free interest rate	**4% – 9%**	6% – 9%
Range of Volatility	**36% – 88%**	36% – 88%
Range of weighted average exercise price (₹ Per share)	**₹ 5**	₹ 5
Range of Weighted average remaining contractual life	**1 year – 12 years**	0.2 years – 12 years

The working of stock prices 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.

39. REVENUE:

(a) As per Ind AS 115 "Revenue from Contracts with Customers" the Company has classified its Revenue as:

– Sale of products and services: Revenue is recognised when a contractual promise to a customer (performance obligation) has been fulfilled by transferring control over the promised goods and/or services to the customer. This transfer of control is generally at a point of time of shipment to or receipt of products by the customer or when the services are performed. The amount of revenue to be recognised is based on the consideration the Company expects to receive in exchange for its goods/ services. If the contract contains more than one obligation, the consideration is allocated based on the standalone selling price of each performance obligation.

  Rebates, discounts, commissions and bonuses (including cash discounts offered to customers for prompt payment) are provisioned and recorded as deduction from revenue at the time the related revenue is recorded. These rebates are calculated based on the historical experience and the specific terms in individual agreements. Sales returns are recognised and recorded as deductions based on historical experience of customer returns. and such other relevant factors.

– Sale of intellectual property, Assignment of New Chemical Entity, Sale of Trademarks and Outlicensing fees: Revenue is recognised when a contractual promise to a customer (performance obligation) has been fulfilled by transferring control to the customer taking into consideration the specific terms of the agreement and when the risk of reversal of revenue recognition is remote.

There is no significant financial component as the credit period provided by the Company is not significant.

Variable components such as discounts, sales return etc. continue to be recognised as deduction from revenue in compliance with Ind AS 115.

(b) Disaggregation of Revenue from continuing operations:

Particulars (for details Refer note 23)	**For the year ended March 31, 2022 ₹ in crore**	For the year ended March 31, 2021 ₹ in crore
Total revenue from Customers	**1,352**	978
Other Operating income	**20**	9
TOTAL	**1,372**	987

(c) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

Particulars	**For the year ended March 31, 2022 ₹ in crore**	For the year ended March 31, 2021 ₹ in crore
Total Gross revenue, net of estimated returns as refered in Note 22.	**1,355**	982
Less: Discounts	**(3)**	(4)
Revenue from contract with customers	**1,352**	978
Other Operating income	**20**	9
TOTAL	**1,372**	987

40. DISCONTINUED OPERATIONS AND ASSET HELD FOR SALE:

During previous year, the Board of Directors, in their meeting held on June 09, 2020, concluded the Business transfer agreement ("BTA") entered into between the Company and Dr. Reddy's Laboratories Limited ("Purchaser") dated February 12, 2020 read with amendments made time to time for the transfer of the business comprising 62 products and line extensions along with related assets and liabilities, contracts, permits, intellectual properties, employees, marketing, sales and distribution of the same in the Domestic Branded Division in India, Nepal, Bhutan, Sri Lanka and Maldives, and the manufacturing facility at Baddi, Himachal Pradesh, where some of the products which are being transferred were manufactured (together the "Business Undertaking"), to the Purchaser. The consideration for the above said transfer of Business Undertaking for ₹ 1,850 crore was structured as per following:

a) an amount equal to ₹ 1,550 crore (including a deposit of ₹ 67 crore in escrow account towards adjustments for, inter alia, Net working capital, employee liabilities and certain other contractual and statutory liabilities) to be paid on the Closing Date under the BTA. The said amount has been paid by the Purchaser to the Company during the year ended March 31, 2021 including release of ₹ 63 crore out of the original escrow account of ₹ 67 crore and,

b) balance amount equal to ₹ 300 crore out of total consideration of ₹ 1,850 crore has been held back ("Holdback Amount"), by the Purchaser on the Closing Date (i.e., June 09, 2020) for assessment of the impact of the COVID-19 pandemic on the Business Undertaking and shall be released as equal to 2 (two) times the amount by which the revenue exceeds ₹ 480 crore from sales of the products forming part of the said Business Undertaking by the Purchaser during the 12 months post-closing date.

The profit from aforesaid Transfer of Business Undertaking (excluding the Holdback Amount of ₹ 300 crore) amounting to ₹ 1,470 crore has been shown as ' Exceptional Items - discontinued operations' during previous year ended March 31, 2021.

The Company and Purchaser, in accordance with the BTA, are in the process of determining the value of the Holdback Amount receivable, if any, by the Company. Pending determination of such amount between the parties, no gain has been recognised in the Profit and Loss account during the year ended March 31, 2022.

A. The Results of the discontinued operations for the previous year are presented below:

Particulars	**For the year ended March 31, 2021 ₹ in crore**
Revenue including other income	54
Expenses	40
Profit before exceptional items and tax	14
Exceptional items-Profit on sale of business	1,470
Profit before income tax	1,484
Income tax (expense)/credit	
Current tax- charge	312
Deferred tax- charge	187
Profit after income tax	985

The cash flows of the discontinued operations for the previous year are presented below:

Particulars	**For the year ended March 31, 2021 ₹ in crore**
Net cash inflow from operating activities	6
Net cash inflow/(outflow) from investing activities	1,534
Net cash inflow from financing activities	–

Note:

The result and cash flows of the discontinued operation for the year ended March 31, 2021 is for the period April 01, 2020 to June 09, 2020.

B. **Assets and liabilities held for sale:**

Particulars	As at March 31, 2022 ₹ in crore	As at March 31, 2021 ₹ in crore
Non-Current Assets:		
Property, Plant and Equipments*	**144**	144

* ₹ 144 crore pertains to Nutrition business as specified in note 31

41. RELATED PARTY DISCLOSURES

As per Ind AS 24, the list of Related Parties and disclosure of transactions with these parties are given below:

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

Subsidiary Companies (including step down subsidiaries)

1 Wockhardt UK Holdings Limited
2 CP Pharmaceuticals Limited
3 CP Pharma (Schweiz) AG
4 Wallis Group Limited
5 The Wallis Laboratory Limited
6 Wockhardt Farmaceutica Do Brasil Ltda
7 Wallis Licensing Limited
8 Wockhardt Infrastructure Development Limited
9 Z & Z Services
10 Wockhardt Europe Limited
11 Wockhardt Nigeria Limited
12 Wockhardt USA LLC
13 Wockhardt UK Limited
14 Wockpharma Ireland Limited
15 Pinewood Laboratories Limited
16 Pinewood Healthcare Limited
17 Laboratoires Negma S.A.S.
18 Wockhardt France (Holdings) S.A.S.
19 Wockhardt Holding Corp
20 Morton Grove Pharmaceuticals, Inc.
21 MGP Inc.
22 Laboratoires Pharma 2000 S.A.S.
23 Niverpharma S.A.S.
24 Negma Beneulex S.A.
25 Phytex S.A.S.
26 Wockhardt Farmaceutica SA DE CV
27 Wockhardt Services SA DE CV
28 Wockhardt Bio AG
29 Wockhardt Bio (R) LLC
30 Wockhardt Bio Pty Limited
31 Wockhardt Bio Limited
32 Wockhardt Medicines Limited
33 Wockhardt Biologics Limited (w.e.f. July 02, 2021)

Other parties exercising control

Humuza Consultants*

* 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 **

** 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 Private Limited
Palanpur Holdings and Investments Private Limited
Khorakiwala Holdings and Investments Private Limited
Wockhardt Hospitals Limited
Merind Limited
Wockhardt Foundation
Carol Info Services Limited
Dr. Habil Khorakiwala Education and Health Foundation (Trust)-[Wockhardt Global School]
Corival Lifesciences Private Limited (w.e.f. June 06, 2020)
Wockhardt Regenerative Private Limited (w.e.f. November 26, 2020)
Themisto Trustee Company Private Limited
Amalthea Consultants#
Ananke Trustee Company Private Limited holds shares in the Company in its capacity as the trustee of Amalthea Discretionary Trust (ADT) which in turn holds these shares in its capacity as the partner of the partnership firm Amalthea Consultants.
Genista Trading and Services Private Limited
Ananke Trustee Company Private Limited
Callirhoe Trustee Company Private Limited
HNZ Consultants
HNZ Discretionary trust
Amalthea Discretionary trust
Lysithea Consultants
Lysithea Discretionary trust

Key managerial personnel

H. F. Khorakiwala - Chairman
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 (resigned w.e.f. May 27, 2020)
Vinesh Kumar Jairath - Non-Executive Independent Director
Akhilesh Gupta - Non-Executive Independent Director
Rima Marphatia (Nominee Director from Export-Import Bank of India)
Huzaifa Khorakiwala - Executive Director
Murtaza Khorakiwala - Managing Director
Zahabiya Khorakiwala - Non-Executive Non- Independent Director

Relatives of Key Managerial Personnel

N. H. Khorakiwala
Miqdad H. Khorakiwala

(C) Transactions with related parties during the year:

(All the amounts mentioned below for the disclosure are the contractual amounts based on the arrangement with respective parties)

	For the year ended March 31, 2022 ₹ in crore	For the year ended March 31, 2021 ₹ in crore
Subsidiary Companies (including step down subsidiaries)		
Management and Technical fees [CP Pharmaceuticals Limited ₹ 0.21 crore (Previous year - ₹ 1 crore), Wockhardt UK Limited ₹ 0.44 crore (Previous year - ₹ 1 crore), Wockhardt USA LLC ₹ 0.10 crore (Previous year - ₹ 0.30 crore), Wockhardt Bio AG ₹ 4 crore (Previous year - ₹ 4 crore), Pinewood Laboratories Limited ₹ 1 crore (Previous year - ₹ 1 crore), Morton Grove Pharmaceuticals, Inc. ₹ 1 crore (Previous year - ₹ 1 crore), Wockhardt Bio (R) LLC ₹ 0.04 crore (Previous year - ₹ 0.29 crore)]	**7**	9
Sales [CP Pharmaceuticals Limited ₹ 0.17 crore (Previous year - ₹ 0.25 crore), Wockhardt Bio AG ₹ 130 crore (Previous year - ₹ 116 crore), Pinewood Laboratories Limited ₹ Nil (Previous year - ₹ -3 crore), Wockhardt Bio (R) LLC ₹ 21 crore (Previous year - ₹ 27 crore)]	**151**	140

	For the year ended March 31, 2022 ₹ in crore	For the year ended March 31, 2021 ₹ in crore
Rent and Utility fees to Wockhardt Infrastructure Development Limited	**32**	29
Investment in equity share of Wockhardt Biologics Limited*	**0**	–
* ₹ 0.03 crore in current year		
Purchase of intellectual property from Wockhardt Bio AG	**336**	507
Research and Development service income from Wockhardt Bio AG	**52**	55
Sale of intellectual property to Wockhardt Bio AG	**152**	30
Guarantee fees income from Wockhardt Bio AG	**3**	8
Land Premium to Wockhardt Infrastructure Development Limited*	**0**	0
* ₹ 0.03 crore (Previous year - ₹ 0.03 crore)		
Transfer of fixed assets by Wockhardt Bio AG to the Company*	**0**	–
* ₹ 0.01 crore in current year		
Expenses recovered [Morton Grove Pharmaceuticals, Inc. ₹ 4 crore (Previous year - ₹ 0.24 crore), Wockhardt USA LLC ₹ 0.04 crore (Previous year - ₹ 0.16 crore), Wockhardt Bio AG ₹ 0.09 crore (Previous year - ₹ 0.41 crore), Wockhardt UK Limited ₹ 0.26 crore (Previous year - ₹ 1 crore), Pinewood Laboratories Limited ₹ 0.08 crore (Previous year - ₹ 0.11 crore), Wockhardt Bio (R) LLC ₹ 0.04 crore (Previous year - ₹ 0.04 crore)]	**5**	2
Reimbursement of expenses [Wockhardt Bio AG ₹ 3 crore (Previous year - ₹ 1 crore), CP Pharmaceuticals Limited ₹ 0.44 crore (Previous year - ₹ 1 crore), Wockhardt UK Limited ₹ 0.07 crore (Previous year - ₹ Nil), Wockhardt Bio (R) LLC ₹ 4 crore (Previous year - ₹ 2 crore)]	**8**	4
Outstanding balances paid by Pinewood Laboratories Limited on behalf of the Company*	**–**	0
* ₹ 0.26 crore in previous year		
Purchase of raw material/consumables from Wockhardt Bio AG*	**0**	–
* ₹ 0.26 crore in current year		
Sale of fixed assets [CP Pharmaceuticals Limited ₹ Nil (Previous year - ₹ 0.02 crore), Pinewood Laboratories Limited ₹ Nil (Previous year - ₹ 1 crore)]	**–**	1
Novation of Outlicensing Rights charged by Wockhardt Bio AG	**1**	1
Advance paid by Wockhardt Bio AG on behalf of the Company	**22**	–
Advances Received against Export of Goods and Services from Wockhardt Bio AG	**75**	–
Advances adjusted against export of Goods and Services to Wockhardt Bio AG	**–**	15
Key managerial personnel		
Remuneration [Chairman ₹ 2 crore (Previous year - ₹ 2 crore), Managing Director ₹ 2 crore (Previous year - ₹ 2 crore), Executive Director ₹ 2 crore (Previous year - ₹ 2 crore)]	**6**	6
Contribution to Provident fund [Chairman ₹ 0.45 crore (Previous year - ₹ 0.45 crore), Managing Director ₹ 0.42 crore (Previous year - ₹ 0.45 crore), Executive Director ₹ 0.42 crore (Previous year - ₹ 0.45 crore)]	**1**	1
Director sitting fee paid [D S Brar ₹ 0.15 crore (Previous year - ₹ 0.16 crore), Sanjaya Baru ₹ 0.14 crore (Previous year - ₹ 0.14 crore), Tasneem Mehta ₹ 0.14 crore (Previous year - ₹ 0.15 crore), Baldev Raj Arora ₹ Nil (Previous year - ₹ 0.03 crore), Aman Mehta ₹ 0.14 crore (Previous year - ₹ 0.11 crore), Vinesh Kumar Jairath ₹ 0.15 crore (Previous year - ₹ 0.15 crore), Zahabiya Khorakiwala ₹ 0.06 crore (Previous year - ₹ 0.06 crore), Rima Marphatia ₹ 0.05 crore (Previous year - ₹ 0.06 crore), Akhilesh Gupta ₹ 0.14 crore (Previous year - ₹ 0.07 crore)]	**1**	1
Investment in Equity Shares of Wockhardt Biologics Limited by the Managing Director and Executive director during the year ₹ 10 each	**–**	**–**
Proceeds from Right issue of Equity shares [Chairman ₹ 3 crore (Previous year - ₹ Nil), Managing Director ₹ 2 crore (Previous year - ₹ Nil) and Executive Director ₹ 1 crore (Previous year - ₹ Nil)]	**6**	**–**
Relatives of Key managerial personnel		
Proceeds from Right issue of Equity shares [N.H. Khorakiwala ₹ 0.02 crore (Previous year - ₹ Nil), Miqdad H Khorakiwala ₹ 0.01 crore (Previous year - ₹ Nil)]	**0**	–
Other parties exercising control		
Dividend on preference shares to Humuza Consultants	**–**	4
Loan taken from Humuza Consultants	**177**	335
Loan repaid to Humuza Consultants	**544**	95
Interest cost on Loan taken from Humuza Consultants	**41**	10
Redemption of Non-Convertible Non-Cumulative Redeemable Preference Shares (NCCRPS) issued to Humuza Consultants	**–**	200
Proceeds from Right issue of Equity shares [Humuza Consultants ₹ 402 crore (Previous year - ₹ Nil) and Habil Khorakiwala Trust ₹ 15 crore (Previous year - ₹ Nil)]	**417**	–

	For the year ended March 31, 2022 ₹ in crore	For the year ended March 31, 2021 ₹ in crore
Enterprise over which Key Managerial Personnel exercise significant influence/Control		
Rent paid [Palanpur Holdings and Investments Private Limited ₹ 1 crore (Previous year - ₹ 1 crore), Carol Info Services Limited ₹ 85 crore (Previous year - ₹ 80 crore)]*	**86**	81
* rent paid has been disclosed as Right of use assets and Lease liabilities in accordance with Ind AS 116		
Donation given to Wockhardt Foundation*	**0**	2
* ₹ 0.08 crore in current year		
Donation given to Dr. Habil Khorakiwala Education and Health Foundation (Trust)	**–**	1
Reimbursement of Expenses to Carol Info Services Limited	**1**	1
Rent and other miscellaneous income *[Wockhardt Hospitals Limited ₹ 0.01 crore (Previous year - ₹ 0.06 crore), Wockhardt Foundation ₹ 0.0002 crore (Previous year - ₹ 0.002 crore), Dr. Habil Khorakiwala Education and Health Foundation (Trust) ₹ 0.0006 crore (Previous year - ₹ 0.0003 crore)]	**0**	0
Sale of Finished goods to Wockhardt Hospitals Limited*	**0**	0
* ₹ 0.001 crore (Previous year - ₹ 0.05 crore)		
Sale of Fixed asset *[Wockhardt Regenerative Private Limited ₹ 0.03 crore (Previous year - ₹ Nil), Wockhardt Hospitals Limited ₹ Nil (Previous year - ₹ 0.16 crore)	**0**	0
Salary paid to the teaching staff of Wockhardt Global School	**3**	3
Recovery of Utility Fees from Wockhardt Global School	**1**	1
The Company has given school premises on lease to Wockhardt Global School without rent		
Premium/Dividend on preference shares to Khorakiwala Holdings and Investments Private Limited	**–**	6
Loan taken from [Khorakiwala Holdings and Investments Private Limited ₹ 270 crore (Previous year - ₹ 30 crore), Merind Limited ₹ 15 crore (Previous year - ₹ 45 crore), Amalthea Consultants ₹ 185 crore (Previous year - ₹ Nil), Themisto Trustee Company Private Limited ₹ 214 crore (Previous year - ₹ Nil), Ananke Trustee Company Private Limited ₹ 277 crore (Previous year - ₹ Nil), Callirhoe Trustee Company Private Limited ₹ 211 crore (Previous year - ₹ Nil)]	**1,172**	75
Interest on loan taken [Khorakiwala Holdings and Investments Private Limited ₹ 8 crore (Previous year - ₹ 1 crore), Merind Limited ₹ 7 crore (Previous year - ₹ 3 crore), Amalthea Consultants ₹ 8 crore (Previous year - ₹ Nil), Themisto Trustee Company Private Limited ₹ 4 crore (Previous year - ₹ Nil), Ananke Trustee Company Private Limited ₹ 4 crore (Previous year - ₹ Nil), Callirhoe Trustee Company Private Limited ₹ 2 crore (Previous year - ₹ Nil)]	**33**	4
Loan repaid [Khorakiwala Holdings and Investments Private Limited ₹ 49 crore (Previous year - ₹ 26 crore), Merind Limited ₹ Nil (Previous year - ₹ 33 crore), Amalthea Consultants ₹ 185 crore (Previous year - ₹ Nil), Themisto Trustee Company Private Limited ₹ 214 crore (Previous year - ₹ Nil), Ananke Trustee Company Private Limited ₹ 277 crore (Previous year - ₹ Nil), Callirhoe Trustee Company Private Limited ₹ 34 crore (Previous year - ₹ Nil)]	**759**	59
Rent recovery on behalf of Merind Limited*	**–**	0
* ₹ 0.01 crore in previous year		
Purchase of Consumables from Corival Life Sciences Private Limited*	**–**	0
* ₹ 0.01 crore in previous year		
Redemption of Non-Convertible Non-Cumulative Redeemable Preference Shares (NCCRPS) issued to Khorakiwala Holdings and Investments Private Limited	**–**	50
Redemption of Non-Convertible Cumulative Redeemable Preference Shares (NCRPS) issued to Khorakiwala Holdings and Investments Private Limited	**–**	80
Investment in Equity Shares of Wockhardt Biologics Limited purchased from Genista Trading and Services Private Limited	**0**	–
* ₹ 0.02 crore in current year		
Proceeds from Right issue of Equity shares [Amalthea Consultants ₹ 22 crore (Previous year - ₹ Nil), HNZ Consultants ₹ 23 crore (Previous year - ₹ Nil), HNZ Discretionary trust ₹ 3 crore (Previous year - ₹ Nil), Amalthea Discretionary trust ₹ 4 crore (Previous year - ₹ Nil), Lysithea Consultants ₹ 22 crore (Previous year - ₹ Nil), Lysithea Discretionary trust ₹ 5 crore (Previous year - ₹ Nil)	**79**	–

(d) *Related party balances*

(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.)

	As at March 31, 2022 ₹ in crore	As at March 31, 2021 ₹ in crore
Subsidiary Companies (including step down subsidiaries)		
Trade receivables [CP Pharmaceuticals Limited ₹ 1 crore (Previous year - ₹ 1 crore), Z&Z Services GmbH ₹ 0.09 crore (Previous year - ₹ 0.09 crore), Wockhardt USA LLC ₹ 2 crore (Previous year - ₹ 2 crore), Wockhardt Bio Pty Limited ₹ 0.02 crore (Previous year - ₹ 0.02 crore), Wockhardt Bio AG ₹ 979 crore (Previous year - ₹ 717 crore), Wockhardt UK Limited ₹ 2 crore (Previous year - ₹ 3 crore), Pinewood Laboratories Limited ₹ 24 crore (Previous year - ₹ 24 crore), Wockhardt Bio (R) LLC ₹ 9 crore (Previous year - ₹ 16 crore), Morton Grove Pharmaceuticals, Inc. ₹ 2 crore (Previous year - ₹ 1 crore), Laboratoires Negma S.A.S. ₹ 1 crore (Previous year - ₹ 1 crore), Wockhardt Farmaceutica SA DE CV. ₹ 6 crore (Previous year - ₹ 5 crore)]	**1,026**	770
Trade payables [CP Pharmaceuticals Limited ₹ 12 crore (Previous year - ₹ 11 crore), Wockhardt USA LLC ₹ 8 crore (Previous year - ₹ 8 crore), Wockhardt Bio AG ₹ 43 crore (Previous year - ₹ 38 crore), Wockhardt UK Limited ₹ 5 crore (Previous year - ₹ 5 crore), Wockhardt Infrastructure Development Limited ₹ 64 crore (Previous year - ₹ 45 crore), Pinewood Laboratories Limited ₹ 23 crore (Previous year - ₹ 24 crore), Wockhardt Bio (R) LLC ₹ 7 crore (Previous year - ₹ 3 crore), Morton Grove Pharmaceuticals, Inc. ₹ 3 crore (Previous year - ₹ 3 crore).	**165**	137
Payable for capital goods [CP Pharmaceuticals Limited ₹ 3 crore (Previous year - ₹ 2 crore), Wockhardt Bio AG ₹ 171 crore (Previous year - ₹ 3 crore), Pinewood Laboratories Limited ₹ 2 crore (Previous year - ₹ 2 crore)]	**176**	7
Advance from Wockhardt Bio AG against supplies	**581**	503
Guarantee fees receivable from Wockhardt Bio AG - Transaction value	**69**	63
[Carrying amount ₹ 69 crore (Previous year - ₹ 62 crore)]		
Other Receivables against recovery of expenses from Morton Grove Pharmaceuticals, Inc.	**5**	–
Security deposit given to Wockhardt Infrastructure Development Limited - Transaction value	**7**	7
[Carrying amount ₹ 1 crore (Previous year - ₹ 1 crore)]		
Corporate guarantees given on behalf of subsidiaries/step down subsidiaries - Refer note 45B		
Enterprise over which Key Managerial Personnel exercise significant influence/Control		
Trade receivables [Wockhardt Hospitals Limited ₹ 0.27 crore (Previous year - ₹ 0.37 crore), Wockhardt Foundation ₹ 0.01 crore (Previous year - ₹ 0.005 crore), Dr. Habil Khorakiwala Education and Health Foundation (Trust) ₹ 2 crore (Previous year - ₹ 1 crore)]	**2**	1
Trade Payables [Wockhardt Hospitals Limited ₹ 1 crore (Previous year - ₹ 1 crore), Carol Info Services Limited ₹ 4 crore (Previous year - ₹ 3 crore), Palanpur Holdings and Investments Private Limited ₹ 4 crore (Previous year - ₹ 3 crore), Merind Limited ₹ 0.01 crore (Previous year - ₹ 0.01 crore)]	**9**	6
Loan taken [Merind Limited ₹ 96 crore (Previous year - ₹ 74 crore), Khorakiwala Holdings and Investments Private Limited ₹ 258 crore (Previous year - ₹ 31 crore), Amalthea Consultants ₹ 7 crore (Previous year - ₹ Nil), Themisto Trustee Company Private Limited ₹ 4 crore (Previous year - ₹ Nil), Ananke Trustee Company Private Limited ₹ 4 crore (Previous year - ₹ Nil), Callirhoe Trustee Company Private Limited ₹ 179 crore (Previous year - ₹ Nil)]	**548**	105
Other Receivables against sale of fixed asset from Wockhardt Regenerative Private Limited*	**0**	–
* ₹ 0.03 crore in current year		
Security deposit given to Carol Info Services Limited - Transaction value	**56**	56
[Carrying amount ₹ 38 crore (Previous year - ₹ 35 crore)]		
Security deposit given to Palanpur Holdings and Investments Private Limited	**3**	3
Other parties exercising control		
Loan taken - Humuza Consultants	**26**	367

42. 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. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(₹ in crore)

March 31, 2022	Carrying amount		Fair value
	Amortised Cost	Total	Significant unobservable inputs (Level 2)
Financial Assets			
Investments*	0	0	0
* Fair value through profit or loss ₹ 0.45 crore			
Other Non-Current Financial Assets	61	61	75
Trade receivables	1,292	1,292	
Cash and cash equivalents	172	172	
Bank balance (other than above)	35	35	
Other Current Financial Assets	82	82	
TOTAL	1,642	1,642	75
Financial Liabilities			
Borrowings	1,590	1,590	
Trade payables	582	582	
Lease Liabilities	434	434	478
Other Current Financial Liabilities	280	280	0
TOTAL	2,886	2,886	478

(₹ in crore)

March 31, 2021	Carrying amount		Fair value
	Amortised Cost	Total	Significant unobservable inputs (Level 2)
Financial Assets			
Investments*	0	0	0
* Fair value through profit or loss ₹ 0.45 crore			
Other Non-Current Financial Assets	42	42	55
Trade receivables	955	955	
Cash and cash equivalents	79	79	
Bank balance (other than above)	59	59	
Other Current Financial Assets	66	66	
TOTAL	1,201	1,201	55
Financial Liabilities			
Borrowings	1,613	1,613	
Trade payables	405	405	
Lease Liabilities	465	465	516
Other Current Financial Liabilities	152	152	
TOTAL	2,635	2,635	516

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 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 change in the unobservable inputs for unquoted investments of Narmada Clean Tech Limited (formerly known as Bharuch Eco-Aqua Infrastructure Limited) and Bharuch Enviro Infrastructure Limited 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
Security deposits against lease and Lease liabilities	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.
Guarantee commission	

43. FINANCIAL RISK MANAGEMENT

The Company 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 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 a Risk management Committee comprising Executive Director, Managing Director, Independent Director and Chief Financial Officer as its members. Key risks and their mitigation arising out of periodic reviews by the Committee are assessed and reported to the Board of Directors, 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 a co-sourced model of independent Internal Audit and assurance function. There is a practice of reviewing various key select risks and report to Audit Committee from time to time. The co-sourced internal audit function carry out internal audit reviews in accordance with the approved internal audit plan and reviews the status of implementation of internal audit and assurance recommendations. Summary of Critical observations, if any, and recommendations under implementation are reported to the Audit Committee.

i. 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, 2022 and March 31, 2021, the Company did not have any significant concentration of credit risk with any external customers except Wockhardt Bio AG that accounts for 76% of total trade receivables during current year (Previous year: 75%)

Expected credit loss assessment for customers as at March 31, 2022 and March 31, 2021:

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.

Particulars	As at March 31, 2022				As at March 31, 2021			
	Gross carrying amount ₹ in crore	Less: Expected credit losses ₹ in crore	Net carrying amount ₹ in crore	Weighted average loss rate ₹ in crore	Gross carrying amount ₹ in crore	Less: Expected credit losses ₹ in crore	Net carrying amount ₹ in crore	Weighted average loss rate ₹ in crore
Not due	**234**	**1**	**233**	**1%**	95	1	94	1%
Past due 1-180 days	**209**	**3**	**206**	**1%**	285	1	284	0.43%
Past due 181-360 days	**232**	**1**	**231**	**0.45%**	92	1	91	2%
More than 360 days	**693**	**71**	**622**	**10%**	567	81	486	14%
TOTAL	**1,368**	**76**	**1,292**		1,039	84	955	

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

Particulars	March 31, 2022 ₹ in crore	March 31, 2021 ₹ in crore
Opening balance	**84**	89
Impairment loss reversed/ utilized, net	**(8)**	(5)
Closing balance	**76**	84

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.

Cash and bank balances

The Company held cash and bank balances of ₹ 207 crore (Previous year - ₹ 138 crore). These balances are held with bank and 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 to manage shortfall of current assets to current liabilities. The Company invests its surplus funds in bank fixed deposit. Considering this access and ongoing business contract, Company is confident of meeting its liability as and when they are due.

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

(₹ in crore)

March 31, 2022		Contractual cash flows			
	Carrying amount	Total	0-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities					
Borrowings (other than loan from related party)*	1,016	1,085	922	162	1
Loan from related party	574	574	574	–	–
Lease Liabilities	434	730	79	349	302
Trade payables and other Current Financial Liabilities	862	862	862	–	–
TOTAL	**2,886**	**3,251**	**2,437**	**511**	**303**

Also issued financial guarantee of ₹ 2,274 crore (Outstanding Guarantee amount- ₹ Nil) for loan taken by its subsidiary which has already been repaid in March 2022 **

(₹ in crore)

March 31, 2021		Contractual cash flows			
	Carrying amount	Total	0-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities					
Borrowings (other than loan from related party)*	1,141	1,192	914	277	1
Loan from related party	472	472	472	–	–

(₹ in crore)

March 31, 2021	Carrying amount	Contractual cash flows			
		Total	0-12 months	1-5 years	More than 5 years
Lease Liabilities	465	804	75	333	396
Trade payables and other Current Financial Liabilities	557	557	557	–	–
TOTAL	**2,635**	**3,025**	**2,018**	**610**	**397**

Also issued financial guarantee of ₹ 2,193 crore (Outstanding Guarantee amount- ₹ 548 crore) for loan taken by its subsidiary which is repayable by March 2022 **

* It includes contractual interest payment over the tenure of the Borrowings. These floating-interest Borrowings are based on interest rate prevailing as at the reporting date.

** Guarantees issued by the Company on behalf of subsidiaries are with respect to borrowings raised by the subsidiary. These amounts will be payable on default by the concerned subsidiary. The subsidiary has repaid the entire loan and is in the process of receipt of 'No Dues certificate' from the lenders

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.

The Company also enters into derivative contracts in order to hedge and manage its foreign currency exposures towards future loan repayment. The Company has not entered into any derivative contracts during the current and previous year.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2022 and March 31, 2021 are as below:

Particulars	Currency	As at March 31, 2022		As at March 31, 2021	
		Amount in Foreign Currency (in million)	₹ in crore	Amount in Foreign Currency (in million)	₹ in crore
Loan Availed	EUR	–	–	0.10	1
	USD	**11**	**86**	33	240
Trade Receivables	AUD*	**0**	**0**	0	0
	EUR	**3**	**25**	3	25
	GBP	**7**	**69**	5	54
	USD	**126**	**958**	102	744
	RUB	**201**	**18**	179	17
Loans and Other Receivables	USD	**9**	**69**	9	63
	CHF	**0.04**	**0.3**	0.05	0.4
Trade payables and Other Liabilities	ACU*	**0**	**0**	0	0
	EUR	**4**	**36**	4	35
	GBP	**3**	**29**	3	27
	USD	**35**	**261**	11	79
	RUB	**141**	**13**	55	5
	AUD*	**0**	**0**	0	0
	SEK*	**0**	**0**	0	0

* AUD, ACU and SEK less than 0.5 cr

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against foreign currency at March 31 would have affected the measurement of financial instruments denominated in that foreign currency 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.

(₹ in crore)

Effect in INR	Profit or loss before tax Gain/(Loss)		Equity, gross of tax Increase/ (Decrease)	
March 31, 2022	Strengthening of ₹	Weakening of ₹	Strengthening of ₹	Weakening of ₹
5% movement				
USD	(39)	39	(37)	37
GBP	(2)	2	(2)	2
EUR	1	(1)	1	(1)
RUB#	–	–	–	–
#₹ (0.28) crore, ₹ 0.28 crore, ₹ (0.28) crore, ₹ 0.28 crore respectively				
Others*	–	–	–	–
*₹ (0.004) crore, ₹ 0.004 crore, ₹ (0.004) crore, ₹ 0.004 crore respectively				
TOTAL	(40)	40	(38)	38

(₹ in crore)

Effect in INR	Profit or loss before tax Gain/(Loss)		Equity, gross of tax Increase/(Decrease)	
March 31, 2021	Strengthening of ₹*	Weakening of ₹**	Strengthening of ₹*	Weakening of ₹**
5% movement				
USD	(32)	32	(28)	28
EUR	(1)	1	(1)	1
GBP	1	(1)	1	(1)
RUB	(1)	1	(1)	1
Others*	–	–	–	–
*₹ (0.02) crore, ₹ 0.02 crore, ₹ (0.02) crore, ₹ 0.02 crore respectively				
TOTAL	(33)	33	(29)	29

The Company has received Advance for Supply of Goods from Wockhardt Bio AG, a majorly held foreign subsidiary of the Company {as on March 31, 2022 USD 88 million (₹ 487 crore) [Previous year - USD 88 million (₹ 484 crore) was outstanding}. In accordance with the direction of Reserve Bank of India (RBI) / Authorised Dealer (AD) Bank, such advance was supposed to be adjusted against Supply of goods by December 31, 2020. The advance amount received by the Company is accounted for only at the historical transaction exchange rate in accordance with the Ind AS 21.

The Company, as part of normal business has also been providing services including but not limited to R&D services and assignment of rights over its new chemical entities (NCE) to the aforesaid foreign subsidiary and as on March 31, 2022, USD 120 million (₹ 913 crore) [Previous year - USD 91 million (₹ 667 crore) is outstanding receivables towards the same, of which USD 74 million (₹ 564 crore) is outstanding for more than the prescribed period as per the master circulars issued by the Reserve Bank of India (RBI).

Since the Advance received as mentioned above can not be adjusted against the outstanding receivables, the Company has time to time (including as in June 2020) approached to RBI/ concerned Authorized Dealer (AD) for approval of adjustment of these receivables with the advance received from the said foreign subsidiary. The decision in this regard is yet awaited from RBI/AD.

As the Company has been submitting requisite disclosures to RBI/ AD as required under relevant statute(s) for the above, in its opinion it is in compliance with applicable regulations. Any decision for the aforesaid adjustment will depend on RBI/ AD's final decision/ approval of the matter which is presently awaited.

Pending receipt of this approval, these balances are reported gross in the balance sheet and the receivables are restated at year end exchange rate, whereas the advance for supply of goods is accounted at the historical transaction exchange rate in accordance with the requirements of Ind AS 21. On receipt of the RBI approval, Company may need to recognise foreign exchange translation loss on the advance of USD 88 million depending on the then prevailing exchange rate.

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 Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

	Nominal amount	
	As at March 31, 2022 ₹ in crore	As at March 31, 2021 ₹ in crore
Variable-rate instruments		
Financial liabilities	**711**	1,117
	711	1,117
Fixed-rate instruments		
Financial liabilities	**879**	496
	879	496

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	Impact on Profit/(loss)- Increase/(Decrease) in Profit (before tax)	
Particulars	**For the year ended March 31, 2022 ₹ in crore**	For the year ended March 31, 2021 ₹ in crore
100 bp increase	**(7)**	(11)
100 bp decrease	**7**	11

44. 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 excluding lease liabilities under Ind AS 116, less cash and cash equivalents, Bank balance and current investments. Adjusted equity comprises Total equity.

The following table summarises the capital of the Company:

	As at March 31, 2022 ₹ in crore	As at March 31, 2021 ₹ in crore
Total liabilities	**1,590**	1,613
Less : Cash and cash equivalent and other bank balances	**207**	138
Adjusted net debt	**1,383**	1,475
Total equity	**2,212**	1,606
Adjusted equity	**2,212**	1,606
Adjusted net debt to adjusted equity ratio	**0.63**	0.92

Total equity includes gain on revaluation of land considered as a part of retained earnings in accordance with the requirements of Ind AS 101 on transition to Ind AS. Such Revaluation gain balance as on March 31, 2022 ₹ 68 crore (Previous year - ₹ 69 crore) and is not available for distribution to dividend.

45.

A) Contingent Liabilities (Claims not acknowledged as debts) and commitments (to the extent not provided for)

(a) Demand by Income tax authorities ₹ 413 crore (Previous year - ₹ 310 crore) disputed by the Company.

(b) 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 ₹ 45 crore (Previous year - ₹ 45 crore).[(1)]

(c) Demand by Sales Tax (including GST) authorities ₹ 95 crore (Previous year - ₹ 90 crore) disputed by the Company.[(1)]

(d) Demand by Service tax authorities in respect of non-payment of Service Tax on Import of certain services disputed by the Company ₹ 1 crore (Previous year - ₹ 1 crore).[(1)]

(e) Demand by Municipal Corporation, Local body Tax on inputs used for manufacture of exported goods ₹ 3 crore (Previous year - 2 crore)

(f) Differential custom duty for misclassification/ penalty disputed by the Company ₹ 1 crore (Previous year - 1 crore)

(g) Differential MEIS for misclassification disputed by the Company ₹ 9 crore.

(h) Other matters:

- electricity expense ₹ 8 crore (Previous year - ₹ 8 crore)
- remediation against the pollution of ground water ₹ 1 crore (Previous year - ₹ 1 crore)
- environmental compensation against non-compliance of water/air pollution measures ₹ 2 crore (Previous year - ₹ 2 crore)

(i) Demand from National Pharmaceutical Pricing Authority (NPPA) in respect of overcharging of certain products disputed by the Company ₹ 96 crore (Previous year - ₹ 81 crore).

(j) Pursuant to a settlement agreement entered with the State of Texas on February 8, 2022 in regards to Civil Investigative Demand ('CID') with respect to submission of price information and updates to Texas Medicaid programme in US, Wockhardt USA LLC (WUSA) and the Company have agreed to pay USD 36 million and interest over nine instalments between 2022 and 2025 for the aforesaid matter relating to WUSA and Morton Grove Pharmaceuticals.

WUSA has made provision of ₹ 51 crores in the previous year ended March 31, 2021. During the year ended March 31, 2022 WUSA has created additional provision and presented ₹ 183 crores (charge for the year) based on its present value as an 'Exceptional Items- Continuing operations'.

Further ₹ 22 crore (USD 3 mn) has been paid by WUSA during the current year.

(k) The Company is involved in other disputes, lawsuits, claims, inquiries and proceedings including commercial matters that arise from time to time in the ordinary course of business. The Company believes that there are no such pending matters that are expected to have any material adverse effect on its financial statements in any given accounting period.

(l) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 25 crore (Previous year - ₹ 29 crore) after deducting advance on capital account of ₹ 8 crore (Previous year - ₹ 8 crore).

B) Corporate Guarantee

The Company has given a corporate guarantee on behalf of its subsidiary Wockhardt Bio AG for the USD loan that has been repaid fully during the year [Previous year - USD 63 million (₹457 crore)].

This loan was secured as under:

(i) First ranking charge on fixed assets (excluding Intangible assets) and current assets of Wockhardt Bio AG and its subsidiaries (excluding assets of Wockpharma Ireland Limited 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 on Fixed Deposits of ₹ 45 crore (excluding interest) in India.

The process of release of securities shall commence after receipt of 'No Dues Certificate' from all the lenders.

46. RECONCILIATION OF THE OPENING AND CLOSING BALANCES OF LIABILITIES ARISING FROM FINANCING ACTIVITIES:

(₹ in crore)

Particulars	As at March 31, 2022	As at April 01, 2021	Non cash changes		Other items considered separately#	Cash flows-inflow/ (Outflow)
			Exchange fluctuation	other non-cash adjustments		
Long-term borrowings (Net)*	**556**	547	5	1	–	3
Short-term borrowings (Net)**	**1,034**	1,066	–	–	56	(88)

* Non cash changes on account of Other non-cash adjustments ₹ 0.08 crore

** Non cash changes on account of exchange fluctuation ₹ - 0.21 crore

includes reclassification of interest accrued.

(₹ in crore)

Particulars	As at March 31, 2021	As at April 01, 2020	Non cash changes		Other items considered separately	Cash flows-inflow/ (Outflow)
			Exchange fluctuation	other non-cash adjustments		
Long-term borrowings (Net)	**547**	995	(10)	(18)	2	(422)
Short-term borrowings (Net) *	**1,066**	881	–	–	(5)	190

* Non cash changes on account of exchange fluctuation ₹ 0.06 crore

47. As part of Corporate Social Responsibility (CSR), the Company has made voluntary contribution of ₹ 0.08 crore during the year (Previous year - ₹ 3 crore) for spending on CSR activities to Wockhardt Foundation and Dr. Habil Khorakiwala Education and Health Foundation. The aforesaid amount has been included in Note 28 under 'Miscellaneous expenses', being contribution and other expenses (Also Refer note 41).

(₹ in crore)

Details of CSR is as below:		For the year ended March 31, 2022	For the year ended March 31, 2021
a)	Amount required to be spent during the year	**Nil**	Nil
b)	Amount spent (₹ 0.08 crore in current year)	–	3
c)	Shortfall at the year end	**Nil**	Nil
d)	Total of previous year shortfall	**Nil**	Nil
e)	Reason for shortfall	**N.A**	N.A
f)	Nature of CSR activities	Healthcare, Education, Infrastructure Development and promoting social causes	

48. **a)** Certain manufacturing facilities, having net book value of ₹ 455 crore (Previous year - ₹ 186 crore) and capital work-in-progress amounting to ₹ Nil (Previous year - ₹ 286 crore), of the Company are having low utilisation of assets and the Company is evaluating various alternate purposes of these assets. The Company is also working on remediation of some plants.

b) (i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) The Company's 'New Chemical Entity' (NCE) research programme continued to progress in their clinical trials during the financial year 2021-22. Development expenditure incurred during the year ₹ 11 crore has been capitalised and included under Intangible assets under Development as at March 31, 2022.

49. Ratios:

Following are the ratios computed for the year:

Sr. No	Ratios	Unit	Basis	March 2022	March 2021	Variance %
1	Current Ratio	Times	Current Assets / Current Liabilities	**0.78**	0.71	10.86%
2	Debt Equity Ratio	Times	Total debt [(1)] / Shareholder's Equity	**0.72**	1.00	-28.43%
3	Debt Service Coverage Ratio [(2)]	Times	Earnings available for debt service / Debt Service	**0.55**	0.26	108.55%
4	Return on Equity	Percentage	Net Profits after tax / Average Shareholder's Equity	**(0.07)**	(0.30)	-75.67%
5	Inventory turnover	Times	Cost of goods sold[(3)] / Average Inventories	**1.30**	1.25	3.21%
6	Trade Receivables turnover ratio	Times	Net Credit Sales / Average Trade Receivables	**1.22**	1.04	17.23%
7	Trade payables turnover ratio	Times	Net Credit Purchases+Other expenses / Average Trade Payables	**1.86**	1.75	6.31%
8	Net capital turnover ratio	Times	Net Sales / Working Capital[(4)]	**(2.08)**	(1.29)	60.67%

Sr. No	Ratios	Unit	Basis	March 2022	March 2021	Variance %
9	Net profit ratio	Percentage	Net Profit / Net Sales	**(0.10)**	(0.40)	-74.31%
10	Return on capital employed	Percentage	Earning before interest and taxes / Capital Employed(5)	**0.03**	(0.16)	-119.23%
11	Return on investment	Percentage	Dividend / Cost of investment(6)	**Dividend received on investments being Nil, there is no return on investments**	Dividend received on investments being Nil, there is no return on investments	

Note : The above ratios are calculated on basis of continuing operations figures.

(1) Total debt = Non- current Borrowings + Current Borrowings

(2) Earnings available for debt service = Net Loss after tax + depreciation and other amortizations and other Non-cash operating expenses+ Interest (Finance cost); Debt Service = Interest and Lease payments + Principal Repayments made during the period for long term loans

(3) Cost of goods sold = Cost of materials consumed + Purchase of Stock-in-Trade + Changes in inventories of finished goods, work-in-progress and Stock-in-Trade

(4) Working capital = Current asset - Current liability

(5) Capital Employed = Tangible Net Worth* + Total Debt

(6) Cost of Investment = Total equity - Other comprehensive income

* Tangible net worth = Total equity - Intangible asset - Intangible asset under development

Reasons for more than 25% increase/(decrease):

a) Debt Equity ratio has decreased mainly due to increase in equity on account of issuance of equity on right basis during the year

b) Debt Service Coverage Ratio has increased mainly due to decrease in loss

c) Return on equity, Net capital turnover ratio, Net profit ratio, Return on capital employed and Return on investments have improved mainly due to decrease in loss/increase in turnover.

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

51. Previous year figures have been regrouped wherever necessary to conform to current year classification.

52. The Company continues to monitor the impact of COVID-19 on it businesses across the globe, its customers, vendors, employees, productions, supply chain and logistics etc. The Company has exercised due care in significant accounting judgements and estimates in relation to recoverability of receivables, investments and inventories based on the information available to date, both internal and external, while preparing the Company's financial results for the current period.

As per our attached report of even date

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

Koosai Lehery
Partner
Membership No. 112399

Debashis Dey
Company Secretary

Pramod Gupta
Chief Financial Officer

Place : Mumbai
Date : May 30, 2022

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

Zahabiya Khorakiwala
Non Executive Director
DIN: 00102689

Vinesh Kumar Jairath
DIN: 00391684

Akhilesh Gupta
DIN: 00359325

Rima Marphatia
DIN: 00444343

Directors

CONSOLIDATED FINANCIAL HIGHLIGHTS

(₹ in crore except earnings per share)

Year-end Financial Position	2021 - 22	2020 - 21	2019 - 20	2018 - 19	2017 - 18	2016 - 17	2015 - 16	2014 - 15	2013 - 14	2012-13
Net Fixed Assets (incl. CWIP)	**4,804**	4,722	5,087	4,504	4,321	4,017	3,845	3,149	3,024	2,523
Deferred Tax Assets/(Liabilities)	**545**	369	398	242	149	133	98	(53)	(7)	24
Investments	**0**	0	0	0	0	0	0	3	3	3
Total	**5,349**	5,092	5,485	4,746	4,470	4,150	3,943	3,099	3,020	2,550
Current Assets and other non current assets	**2,866**	2,653	2,662	3,054	3,658	4,831	4,131	3,788	3,597	3,490
Current Liabilities and other non current liabilities	**2,208**	1,658	1,894	1,434	1,193	1,115	1,157	1,017	994	1,265
Net Current Assets	**658**	995	768	1,620	2,465	3,716	2,974	2,771	2,603	2,225
TOTAL	**6,007**	**6,086**	**6,254**	**6,366**	**6,935**	**7,866**	**6,917**	**5,870**	**5,623**	**4,775**
Capital										
- Equity	**72**	55	55	55	55	55	55	55	55	55
- Preference	**–**	–	–	–	–	–	–	299	298	298
Total	**72**	55	55	55	55	55	55	354	353	353
Other Equity	**3,777**	3,321	2,616	2,619	2,797	3,282	3,720	3,362	3,228	2,351
	3,849	3,377	2,672	2,674	2,852	3,337	3,775	3,716	3,581	2,704
Non-controlling interests	**353**	383	386	330	346	382	465	144	136	–
Borrowings										
- Secured	**992**	1,853	2,846	3,027	3,391	3,843	2,402	2,004	1,900	2,054
- Unsecured	**813**	473	350	335	346	304	275	6	6	17
Total	**1,805**	2,326	3,196	3,362	3,737	4,147	2,677	2,010	1,906	2,071
TOTAL	**6,007**	**6,086**	**6,254**	**6,366**	**6,935**	**7,866**	**6,917**	**5,870**	**5,623**	**4,775**
Summary of Operations (including discontinued operations)										
Revenue from operations	**3,230**	2,762	3,325	4,158	3,937	4,015	4,453	4,481	4,830	5,721
Other Income	**20**	132	39	21	120	114	66	67	39	51
TOTAL INCOME	**3,250**	**2,894**	**3,364**	**4,179**	**4,057**	**4,129**	**4,519**	**4,548**	**4,869**	**5,772**
Material Consumed	**1,267**	1,147	1,326	1,814	1,797	1,662	1,614	1,488	1,806	1,814
Personnel Cost	**749**	786	869	937	937	967	951	869	769	663
Other expenses	**916**	875	886	1,272	1,258	1,360	1,379	1,298	1,276	1,128
EBITDA	**298**	(47)	245	135	(55)	26	509	826	979	2,116
Finance cost (Including exchange fluctuation)	**299**	252	254	290	198	238	144	173	37	243
Depreciation and Amortisation	**247**	246	226	166	150	149	142	145	140	125
Profit Before Tax & Exceptional Items	**(228)**	(412)	(197)	(300)	(283)	(247)	289	575	841	1,799
Exceptional Items - loss/(gain)	**183**	(1,328)	–	–	358	–	–	–	(50)	(62)
PROFIT BEFORE TAX	**(411)**	**916**	**(197)**	**(300)**	**(641)**	**(247)**	**289**	**575**	**891**	**1,861**
Tax (Expense)/Credit	**132**	(227)	153	83	(26)	21	(38)	(162)	(48)	(266)
PROFIT AFTER TAX BEFORE SHARE OF PROFIT / (LOSS) OF ASSOCIATES AND NON-CONTROLLING INTERESTS	**(279)**	**689**	**(43)**	**(217)**	**(667)**	**(226)**	**251**	**413**	**843**	**1,595**
Share in Profit / (Loss) of Associate Companies	**–**	–	–	–	–	–	1	–	–	(1)
Non-controlling interests - Profit / (Loss)	**(35)**	3	26	(22	(59)	(30)	1	8	2	–
PROFIT AFTER TAX AFTER SHARE OF PROFIT / (LOSS) OF ASSOCIATES AND NON-CONTROLLING INTERESTS	**(244)**	**686**	**(69)**	**(195)**	**(608)**	**(196)**	**251**	**405**	**841**	**1,594**
Basic Earnings (per share)	**(20.24)**	61.95	(6.25)	(17.58)	(55.01)	(17.71)	22.71	36.81	76.60	145.61

NOTES:

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 31ST MARCH, 2022

[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 the Wockhardt Limited's statutory registers, minute books, forms and returns filed with the Registrar of Companies ('the ROC'), soft copy of the various records sent over mail as provided by the Company and other relevant records maintained by the Company and also the information provided by the Company, its Officers and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 ("audit period"), 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 statutory registers, minute books, forms and returns filed with the ROC and other relevant records maintained by the Company for the financial year ended on 31st March, 2022 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 - applicable only to the extent of Foreign Direct Investments and Overseas Direct Investment;

(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 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

   (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   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 31st March, 2022:-

   (a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

   (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

   (c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

   (d) 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, I am of the opinion that the Company has prima facie proper system to comply 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 and 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 Safety and Standards Act, 2016 and rules

(i) Applicable Labour Laws

(vii) I have also examined compliance with the applicable clauses of the following and I am of the opinion that the Company has prima facie complied with the applicable provisions:-

(a) The Listing agreements entered into by the Company with the Stock Exchanges read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(b) Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India

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

I further report that:

1. I have not examined the Financial Statements, financial Books & related financial Act like Income Tax, Sales Tax, Value Added Tax, Goods and Service Tax Act, ESIC, Provident Fund & Professional Tax, Related Party Transactions etc. For these matters, I rely on the report of statutory auditor's for Financial Statement for the year ended 31st March, 2022.

2. 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 audit period were prima facie carried out in compliance with the provisions of the Act.

3. 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.

4. I was informed and I observed from the minutes of the Board and Committee Meetings that all the decisions at the Meetings were prima facie carried out unanimously.

5. 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.

6. 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.

7. During the audit period, the Company had filed Forms required to be filed within prescribed time and few with the additional fees.

8. During the audit period under review:

   a) There were instances of:

      i. Issuance of Rated, Unlisted, Secured Non-Convertible Debentures on Private Placement Basis.

      ii. Allotment of shares under Employee Stock Option Scheme.

      iii. Issue and allotment of Equity Shares under the Rights Issue basis.

   b) There were no instances of:

      i. Sweat Equity

      ii. Redemption / Buy- back of securities

      iii. Merger / Reconstruction etc.

      iv. Reclassification of share capital

      v. Foreign Technical Collaborations.

I further report that:

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these Secretarial Records based on my 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. I have not verified the correctness and appropriateness of financial records and Books of Accounts of Company.
5. 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.
6. 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.
7. I have partially conducted online verification and examination of records, as facilitated by the Company due to prevailing conditions owing to Covid-19 for the purpose of issuing this Report.

Virendra G. Bhatt
Practicing Company Secretary
ACS No.: 1157 / COP No.: 124
Peer Review No.: 491/2016

Place : Mumbai
Date : 30th May, 2022
UDIN : A001157D000430509

ANNEXURE II TO THE BOARD'S REPORT

Disclosures pursuant to SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ('Regulations') regarding stock options are given hereunder

Further, the disclosures prescribed under Clause A and B of Part F of Schedule I of the Regulations is available on the website of the Company and can be accessed at 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	12th 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
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.

Option movement during the year ended 31st March, 2022:

Sl. No.	Description	Wockhardt ESOS-2011
1	Number of options outstanding as on 1st April, 2021	553,500
2	Number of options granted during the year	90,750
3	Number of options forfeited /lapsed during the year	247,675
4	Number of options vested during the year	49,500
5	Number of options exercised during the year	34,350
6	Number of shares arising as a result of exercise of options	34,350 Equity Shares
7	Money realized by exercise of options (₹), if scheme is implemented directly by the company	1,71,750/-
8	Loan repaid by the Trust during the year from exercise price received	Not Applicable
9	Number of options outstanding as on 31st March, 2022	362,225
10	Number of options exercisable as on 31st March, 2022	245,925
11	Details of options granted to Senior Managerial Personnel	Nil

Sl. No.	Description	Wockhardt ESOS-2011
12	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Nil
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 -33)	₹ (11.62)
15	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	Weighted Average Exercise Price: Relating to Grant made in FY 2011-12: ₹ 37.65/- Relating to Grant made in FY 2012-13, 2014-15 & 2016-17: ₹ 5/- Weighted Average Fair value of options: **Relating to FY 2011-12** • For 60,000 options having exercise price of ₹ 397/- per option is ₹ 106.47/- • For 60,000 options having exercise price of ₹ 365/- per option is ₹ 142.60/- • For 1,420,000 options having exercise price of ₹ 5/- per option is ₹ 410.14/- **Relating to FY 2012-13** • For 350,000 options having exercise price of ₹ 5/- per option is ₹ 894.56/- • For 8,500 options having exercise price of ₹ 5/- per option is ₹ 1,949.76/- **Relating to FY 2014-15** • For 200,000 options having exercise price of ₹ 5/- per option is ₹ 588.29/- **Relating to FY 2016-17** • For 2,23,500 options having exercise price of ₹ 5/- per option is ₹ 967.27/- **Relating to FY 2019-20** • For 76,000 options having exercise price of ₹ 5/- per option is ₹ 297.33/- **Relating to FY 2021-22** • For 62,500 options having exercise price of ₹ 5/- per option is ₹459.21/- • For 13,250 options having exercise price of ₹ 5/- per option is ₹545.92/- • For 15,000 options having exercise price of ₹ 5/- per option is ₹389.52/-

Description of the method and significant assumptions used during the year to estimate the fair value of options is as follows:

- The weighted-average values of share price at the time of grant are in the range of ₹ 394.05 to ₹ 550.30.
- Exercise price was ₹ 5.
- 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 4.42% - 6.42%.
- 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. 38 of Notes to Financial Statements.

For and on behalf of the Board of Directors

Dr. Habil F. Khorakiwala
Chairman
DIN: 00045608

ANNEXURE III TO THE BOARD'S REPORT

ANNUAL REPORT ON CSR ACTIVITIES/INITIATIVES

1. Brief outline on CSR Policy of the Company.

   Pursuant to the requirements of the Companies Act, 2013 and the Rules made thereunder, the Company has well framed CSR Policy.

   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.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Dr. Habil F. Khorakiwala	Executive Director - Chairman	1	1
2	Mr. Aman Mehta	Independent Director	1	1
3	Mr. Davinder Singh Brar	Independent Director	1	1
4	Dr. Huzaifa Khorakiwala	Executive Director	1	1

3. Web-link where composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:

   Composition of CSR committee http://www.wockhardt.com/files/committees-board-231121.pdf

   CSR Policy http://www.wockhardt.com/pdfs/csr-policy.pdf

   CSR Report https://www.wockhardtfoundation.org/

4. Details of Impact assessment of CSR projects carried in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). **N. A.**

5. Details of the amount available for set off in pursuance of sub-rule of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set off for the financial year, if any (in ₹)
1	2020 -21	2.12 crores	Nil
2			
	TOTAL	2.12 crores	Nil

6. Average net profit of the Company as per section 135(5) for the last three financial years as per Section 198 of the Companies Act, 2013 was negative.

7. (a) Two percent of average net profit of the company as per section 135(5): **NIL**

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NIL**

   (c) Amount required to be set off for the financial year: **NIL**

   (d) Total CSR obligation for the financial year (7a+7b-7c): **NIL**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount.	Date of transfer	Name of the Fund	Amount.	Date of transfer
0.07 Crores	N. A.	N. A.	N. A.	N. A.	N. A.

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹ crores)	Amount spent in the current financial Year (₹ in Crores)	Amount transferred to Unspent CSR Account for the project	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	Implementing Agency Name	CSR Registration number
				State	District								
1.	Anaaj plus	Health	Yes	Maharashtra		01/04/2021 to 31/03/2022		0.07	N.A.	NO	Implementing Agency	Wockhardt Foundation	CSR00000161
	TOTAL							0.07					

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year: **N. A.**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR registration number
1.									
2.									
3.									
	TOTAL								

(d) Amount spent in Administrative Overheads: **N. A.**

(e) Amount spent on Impact Assessment, if applicable: **N. A.**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ **0.07 crores**

(g) Excess amount for set off, if any: **N. A.**

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	Negative
(ii)	Total amount spent for the Financial Year	7,58,445
(iii)	Excess amount spent for the financial year [(ii)-(i)]	7,58,445
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	7,58,445

9. (a) Details of Unspent CSR amount for the preceding three financial years: **N. A.**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.							
2.							
3.							
	TOTAL						

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s): **N. A.**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed/ Ongoing
1.								
2.								
3.								
	TOTAL							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year –

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s): **N. A.**

(b) Amount of CSR spent for creation or acquisition of capital asset: **N. A.**

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: **N. A.**

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): **N. A.**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **N. A.**

Dr. Habil F. Khorakiwala
Chairman of CSR Committee
DIN: 00045608

Dr. Huzaifa Khorakiwala
Executive Director
DIN: 02191870

ANNEXURE IV 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 2021-22, transactions relating to management fees, out-licensing fees, sale of goods, guarantee fees, advances, reimbursement and recovery of expenses, sale of Intellectual Property, Purchase of Intellectual Property, R&D Services etc. were done with Wockhardt Bio AG aggregating to ₹ 778 crore.
(e)	Date(s) of approval by the Board, if any:	Please refer Note 1 below
(f)	Amount paid as advances, if any	N.A.

Notes: 1. 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 15th September, 2014 for an estimated amount around USD 500 million every financial year.

For and on behalf of the Board of Directors

Dr. Habil F. Khorakiwala
Chairman
DIN: 00045608

ANNEXURE V 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 2021-22:

Name of Director	Designation	Ratio of the remuneration of director to the median remuneration of the employees for the year 2021-22
Dr. Habil F. Khorakiwala	Chairman	51:1
Mr. Aman Mehta	Independent Director	2.55:1
Mr. Davinder Singh Brar	Independent Director	2.73:1
Dr. Sanjaya Baru	Independent Director	2.55:1
Mrs. Tasneem Mehta	Independent Director	2.55:1
Mr. Vinesh Kumar Jairath	Independent Director	2.73:1
Mr. Akhilesh Gupta	Independent Director	2.55:1
Dr. Huzaifa Khorakiwala	Executive Director	43.75:1
Dr. Murtaza Khorakiwala	Managing Director	43.75:1
Ms. Zahabiya Khorakiwala	Non-Executive Director	1.09:1
Mrs. Rima Marphatia	Nominee Director	0.91:1

Note: Remuneration of Independent Directors and Non-Executive Director consists of only the sitting fees paid to them for attending Board/certain 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 and Non-Executive Director are being paid sitting fee of ₹ 1,00,000 per meeting for attending Board/certain Committee meetings. There was no increase in payment of sitting fees to Independent Directors/ Non-Executive Director as compared to previous year.

The remuneration paid to Dr. Habil F. Khorakiwala, Chairman, Dr. Huzaifa Khorakiwala, Executive Director and Dr. Murtaza Khorakiwala, Managing Director is in accordance with the requisite approvals of the Shareholders. As compared to FY 2020-21, there was no increase in remuneration of the Chairman/Executive Director/Managing Director during FY 2021-22.

During the FY 2021-22 Mr. Manas Datta, erstwhile Chief Financial Officer (CFO) and Mr. Gajanand Sahu, erstwhile Company Secretary, resigned/ relinquished from their respective position. Mr. Debashis Dey was appointed as the new Company Secretary of the Company during the year, hence there is no comparable data to determine change in annual remuneration of the Key managerial Personnel of the Company.

The percentage increase in the median remuneration of employees in the financial year: 7.00%

(iii) The number of permanent employees on the rolls of Company: 2962 as on 31st March, 2022

(iv) 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 Financial Year 2021-22, the remunerations of Dr. H. F. Khorakiwala, Chairman, Dr. Huzaifa Khorakiwala, Executive Director and Dr. Murtaza Khorakiwala, Managing Director were in accordance with the requisite approvals of the shareholders. As compared to FY 2020-21, there was no change in remuneration of the Chairman/Executive Director/ Managing Director during the FY 2021-22.

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 8.4%.

It is hereby affirmed that the remuneration paid during the year 2021-22 is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Dr. Habil F. Khorakiwala
Chairman
DIN: 00045608

ANNEXURE VI 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

- Most of the Street CFL replaced by LED in the factory premises, warehouse and manufacturing area. Service floor florescent lamps replaced by LED which will help in saving of electrical energy.
- Limit switch installed on Air curtain to avoid Continuous operation and energy.
- Installation of VFD's at Non-classified Air handling units and for hot water circulation pump resulting saving of electrical consumption.
- As per area requirement of production, AHU Operation system (ON/OFF) is implemented and saving electrical units.
- Chemical type dehumidifier replaced by Desiccant type dehumidifiers for effective performance.
- Installation of Low Capacity Air compressor (14.5 CFM) for purified Water System – to reduce power consumption.
- Power factor maintained to unity result in less consumption.
- Temperature controller installed on cooling tower for effective operation during winter season to save electricity.
- Blow down water of Cooling tower, sand filter back wash water and Primary water treatment reject water reused to garden in API plant.
- Installed new VFD operated Screw Chiller of 364 TR for PRD area to save electricity.
- Installed new 1000 CFM screw Air Compressor on VFD operation instead of existing 3 reciprocating air compressors.
- Replacement of Cooling tower Louvers with FRP louvers. Existing PVC fins type which were choking frequently by environmental dust and algae scale results in saving of power by 240 KW/day.
- CFL and HPMV Lamps replaced by LED lamps in phased manner.
- Solar plant installed (113 KWH capacity) which generated 1.19 Lac Unit.
- Chiller's set point increased from 6.5°C to 7.4°C during winter season for reduction in Power consumption during normal relative humidity (50%) requirements for manufacturing.
- Installed VFD in AC Store 3 (RM storage area) to reduce AHU operation speed. Earlier AHU was running on 50Hz while the new AHU is running on 37Hz.
- Air compressor loading and unloading pressure set point decreased from 6.8 Kg/cm2 to 6.4 Kg/cm2 for reduction in Power consumption during normal compressed air pressure (NLT 6 kg/Cm2) which are as per manufacturing and utilities requirements.
- Pressure reducing station operating pressure reduced as per production requirement and achieved fuel consumption saving up to 1.5% and also resulted in reduction of Power consumption.
- All Storage area AHU were modified with additional DX unit to avoid of chiller operation on weekly off day which saved power consumption.
- AHU condensate water collected in tank and used in cooling tower.
- Rain water collected and used as raw water for saving of additional source of water.
- RO, UF and Purified reject water was used in cooling tower and boiler instead of raw water (Saved: 2.16 KL).
- Vial tunnel conveyor speed increased from 90 mm/min to 103 mm/min to save the production hours (Total 05 hr/day).
- Formulation area and WH area PL tube light (36 watt) replaced with 18 watt LED and saved annual power consumption up to 4.33 lakhs.
- Pack-leader labelling machine Missing Label Detection and Empty Blister detection/rejection system installed on machine to eliminate rejection rate and market complaint.
- AHU No - 39 VFD frequency reduced from 50 Hz to 25 Hz without any quality impact which saved annual power consumption up to 3.40 lakhs.
- AHU filter cleaning frequency extended from monthly to bi-monthly which saved non production days.
- AHU Nos. 19 and 20 which caters to sampling and dispensing area, RH and Temperature limit was increased (RH 50 ± -5% to NMT-65% and Temperature-22°C ± 2°C to NMT 25°C) which had positive impact on Chiller efficiency.
- Installation of Tray Unloading system and Fixed Conveyor in cartridge filling area to reduce SS Collection Trays which need to autoclave before sending in aseptic area estimated savings in steam cost up to - 4.68 lakhs.
- Optimum Utilization of Chillers, Circulation Pumps and Cooling Tower Fan (Saving of approximately 2000 Units / Day by closely monitoring chillers, its pumps and automation of cooling tower fan).
- Installation of VFD's for Plant Cooling Water Pump, Raw Water, Soft Water and Filtered Water Pumps (Saving of approximately 350 Units/ Day).
- Use of Briquette Boiler for steam generation.
- Power factor maintained up to unity (0.999 to 0.998).
- Installation of spare Energy Efficient 40 KW Pump with VFD at ETP Blower.

- 100% treated effluent usage for garden and lawns in the premises resulting in reduction of fresh water consumption.
- Old Chiller made operational to provide 0°C chilled water for Vaccine Manufacturing Tanks (saved ₹ 15.0 Lakhs cost of new chiller).
- Buffer tank for SVP has been arranged in-house (saved ₹ 7.0 Lakhs cost of new tank).
- Old IMA Line Turn Table used in Packing to take both Labeling machine out feed (In-house work saved cost ₹ 1.0 Lakhs).
- Use of Scrap ECW Drive memory card for T-Car System (saved ₹ 1.75 Lakhs cost of new drive.)
- Most of the Street CFL replaced by LED in the factory premises, ware house and manufacturing area. Service floor florescent lamps replaced by LED which will help in saving of electrical energy.
- Power factor maintained nearer to unity (0.996 to 0.998)
- Reduced loading and unloading pressure of compressed air system.
- Steps taken by the Company for utilizing alternate sources of energy.
- Use of LSHS in place of Furnace oil as per pollution control notification.
- Use of Briquette Boiler in place of furnace oil boiler.
- Minimized Utility water by using bore well water for Utility operation lead to electricity saving.
- Discussion under progress on solar system installation of 1.6MW at Shendra. (saving Appr. 50,000 Units per month, ₹ 4.0 L per month)
- Discussion under progress on solar system installation of 30 kW on administration block at Ankleshwar.
- Aseptic Labeling machine installed to increased productivity at Formulation 2 : Plant.

(B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

1. The efforts made towards technology absorption at different manufacturing units:

OSD

- Installed High pressure Krenzal machine.
- Implemented Pneumatic Vibrator for speedy unloading of material and to avoid denting and pitting of IPC.
- Weighing & Dispensing Management system (WDS) implemented for Dispensing of RM/PM.

DAMAN

CIP system has been installed and qualified in production to reduce the time of equipment cleaning activity and to improve cleaning efficiency.

- Cadmach make CPD V compression machine has been installed and qualified in manufacturing area with bilayer tablets compression provision.
- Colloid mill installed and qualified in manufacturing area for milling of coating suspension to increase elegance of coated tablets.
- In-house AHU modification to get Low RH (Relative Humidity) in compression cubical for Product Methycobal D (Cost saving: ₹18.00 Lakhs).

F-2

- Marginal increase in through put for manufacturing by 6.5% since previous year. Total Manufacturing for current year was 22.7 mio. against last year total manufacturing of 21.3 mio.
- Significant increase in yield for Cartridge line by 5% i.e. from 89% to 94% since last financial year.

2. Benefits derived like product improvement, cost reduction, product development or import substitution at various manufacturing units:

OSD

- Packing Yield improved for Spasgan tablet ranges from 97.33% to 98.17% (yield increased by 0.8%).
- Reduction in PVDC/ AL Foil Consumption for Product Spasgan Tablet.
- FBD and Coating machines protocol based duct cleaning activity completed.
- Installed 0.2 micron filters for Compressed Air line at user points.

DAMAN

- Achieved significant improvements in yield at Bhimpore for Products Paracetamol 500 mg Capsules, Sulfadiazine 500 mg Tablets, Amlodipine 5 mg and 10 mg Tablets, an improvement of 0.4%, 0.4%, 0.5% & 0.8% respectively.
- Achieved significant improvements in yield at Kadaiya for the Product Norethisterone 5 mg Tablets an improvement of 0.7%.
- Codeine Phosphate 15 mg and 30 mg Tablets (for UK) Making common layout with existing product Folic acid 5 mg Tablets. We proposed to change the layout for 14's T as per available change parts for CAM nMX Blister Machine (Cost saving : ₹ 15.00 lakhs).
- Co-codamol 8/500 mg Tablets (For UK) Making common layout with existing product Para 500 mg tablets. We proposed to change the layout for 8's T as per available change parts for BQS Blister Machine (Cost saving : ₹ 9.00 lakhs).
- Existing rack height reduced in AC-4 storage area, this increases Approx. 20 pallets storage capacity.
- In-house developed cooling chamber by modification of retired BOD incubator.
- Developed new dispensing area for packing material dispensing / sampling operational ease within the same area and amenities.

New/ Site transfer Products manufacturing:

Domestic/ Global Market:

- Tapentadol and Dicyclomine HCL Capsules (25+10) - 3 DCGI Registration Batches.
- Methycobal D: 03 Validation Batches for EISAI.
- Nafithromycin (WCK4873) 400 mg: 1 Clinical Placebo and 3 Registration Batches for Jemincare China.
- Spasmoproxyvon Plus additional vendor qualified and dispatched: 3 Validation Batches.

UK Market: Site transfer:

- Co-codamol 30/500 mg Tablets and 30/500 mg Caplets: 3 each Validation Batches.
- Quinine Sulphate 300 mg Tablets: 3 Validation Batches.
- Codeine Phosphate 15 mg Tablets and 30 mg Tablets: 3 each Validation Batches.

New Products:

- Nortriptyline 10 mg fc /25 mg /50 mg fc Tablets: 1 Validation Batch each.
- Ranolazine 375 mg/500 mg /750 mg Tablets: 3 Submission Batches each.
- Dexamethasone 0.5 mg and 2 mg Tablets (PL 29831/0677-0678) Product Licences were approved in January 2022 (Kadaiya Site).

SHENDRA

- Aspart R and 30/70 PDPK new batches manufactured at Shendra.
- First time OD measurement on Spectrophotometer during manufacturing.
- Manufacturing and filling under 2°C to 8°C and FG storage under -20°C.
- Implementation of BSL-2 provision.
- Cost reduction in Conservation of Energy is ₹ 0.45 crore.

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:**

₹ in crore

Particulars	Consolidated	Standalone
Capital	158	361
Revenue	143	95
Total	**301**	**460**

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, the Foreign Exchange Earnings was ₹ 226.26 crore and Foreign Exchange Outgo was ₹ 62.42 crore.

For and on behalf of the Board of Directors
Dr. Habil F. Khorakiwala
Chairman
DIN: 00045608

ANNEXURE VII 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 (Information in respect of each subsidiary to be represented with amount in ₹ Crore)

Part A "Subsidiaries"

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	Average exchange rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/ (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Proposed dividend @@	% of shareholding
1.	Wockhardt Infrastructure Development Limited	14/4/2006	INR	1.00	1.00	2.00	235.75	299.97	62.22	–	32.28	15.88	4.81	11.07		100.00
2.	Wockhardt Medicines Limited	25/3/2019	INR	1.00	1.00	0.05	(0.10)	0.01	0.06	–	–	(0.04)	–	(0.04)		100.00
3.	Wockhardt Biologics Limited	2/7/2021	INR	1.00	1.00	0.05	(0.02)	0.04	0.01	–	–	(0.02)	–	(0.02)		100.00
4.	Z&Z Services GmbH @	21/4/2004	EUR	84.24	86.35	0.21	(1.79)	(0.94)	0.64	–	–	(0.05)	–	(0.05)		85.85
5.	Wockhardt Europe Limited	11/8/1999	GBP	99.64	101.51	13.03	(3.18)	9.42	0.02	0.45	–	(0.03)	–	(0.03)		100.00
6.	Wockhardt Nigeria Limited	10/1/2006	USD	75.80	74.40	0.61	(0.75)	0.11	0.25	–	–	–	–	–		100.00
7.	Wockhardt UK Holdings Limited	1/12/2003	GBP	99.64	101.51	2.74	100.01	72.89	0.03	29.89	–	(0.01)	–	(0.01)		100.00
8.	CP Pharmaceuticals Limited @	1/12/2003	GBP	99.64	101.51	24.24	381.86	779.28	373.18	–	810.94	295.42	43.24	252.18		85.85
9.	CP Pharma (Schweiz) AG @	1/12/2003	CHF	82.09	81.11	2.05	(0.84)	1.24	0.03	–	–	(0.04)	0.01	(0.05)		85.85
10.	Wallis Group Limited	18/2/1998	GBP	99.64	101.51	14.04	14.57	–	0.01	28.62	–	–	–	–		100.00
11.	The Wallis Laboratory Limited	18/2/1998	GBP	99.64	101.51	0.04	(2.33)	–	2.29	–	–	0.12	–	0.12		100.00
12	Wockhardt Farmaceutica do Brazil Ltda	28/1/2004	USD	75.80	74.40	2.79	(3.99)	0.27	1.47	–	–	(0.21)	–	(0.21)		100.00
13.	Wallis Licensing Limited	18/2/1998	GBP	99.64	101.51	–	(11.26)	28.83	40.09	–	–	–	–	–		100.00
14.	Wockhardt USA LLC @	26/2/2004	USD	75.80	74.40	15.16	(129.08)	916.45	1,030.37	–	376.58	(172.67)	–	(172.67)		85.85
15.	Wockhardt Bio AG	17/10/2005	USD	75.80	74.40	426.07	1,838.06	3,118.19	2,014.66	1,160.60	956.10	(704.40)	(74.06)	(630.34)	–	85.85
16.	Wockhardt UK Limited @	2/6/2006	GBP	99.64	101.51	0.50	166.75	199.04	31.79	–	600.95	11.13	2.22	8.91		85.85
17.	Wockpharma Ireland Limited @	1/9/2006	EUR	84.24	86.35	505.45	268.79	1.61	157.90	930.53	–	–	–	–		85.85
18.	Pinewood Laboratories Limited @	1/10/2006	EUR	84.24	86.35	3.14	310.91	641.20	327.15	–	461.41	20.66	(1.87)	22.53	–	85.85
19.	Wockhardt Holding Corp @	17/10/2007	USD	75.80	74.40	197.10	(27.85)	56.95	202.03	314.33	–	(3.43)	–	(3.43)		85.85
20.	Morton Grove Pharmaceuticals Inc @	23/10/2007	USD	75.80	74.40	520.29	(177.87)	769.15	457.08	30.35	290.08	16.44	–	16.44		85.85
21.	MGP Inc @	23/10/2007	USD	75.80	74.40	–	34.72	69.01	34.29	–	28.91	2.14	–	2.14		85.85
22.	Wockhardt France (Holdings) S.A.S @	9/5/2007	EUR	84.24	86.35	505.21	(1,215.97)	0.58	711.34	–	–	(7.52)	–	(7.52)		85.85
23.	Laboratoires Pharma 2000 S.A.S @	17/5/2007	EUR	84.24	86.35	1.53	(30.55)	1.16	30.18	–	0.03	(0.49)	–	(0.49)		85.85
24.	Laboratoires Negma S.A.S @	17/5/2007	EUR	84.24	86.35	242.67	(247.42)	5.82	10.57	–	2.40	0.38	–	0.38	–	85.85
25.	Niverpharma S.A.S @	17/5/2007	EUR	84.24	86.35	1.34	(35.26)	1.58	35.50	–	–	(0.68)	–	(0.68)		85.85
26.	Negma Beneulex S.A @	17/5/2007	EUR	84.24	86.35	0.63	(0.61)	0.02	–	–	–	(0.04)	–	(0.04)		85.85
27.	Phytex S.A.S @	17/5/2007	EUR	84.24	86.35	9.00	(8.97)	0.07	0.04	–	–	(0.56)	–	(0.56)	–	85.85
28.	Wockhardt Farmaceutica SA DE CV	21/6/2012	USD	75.80	74.40	21.88	(151.05)	(15.29)	113.88	–	–	(0.63)	–	(0.63)		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	Average exchange rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/ (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Proposed dividend @@	% of shareholding
29.	Wockhardt Services SA DE CV @	17/12/2012	USD	75.80	74.40	0.03	(2.13)	7.97	10.07	–	–	–	–	–		85.85
30.	Pinewood Healthcare Limited @	1/10/2006	GBP	99.64	101.51	1.00	(1.13)	0.03	0.16	–	–	(0.07)	–	(0.07)		85.85
31.	Wockhardt Bio (R) LLC @	25/8/2015	RUB	0.92	0.98	0.47	23.02	39.42	15.93	–	56.33	14.18	2.81	11.37		85.85
32.	Wockhardt Bio Pty Ltd @	19/8/2015	AUD	56.83	54.93	0.06	1.97	14.39	12.36	–	0.16	0.02	0.01	0.01		85.85
33	Wockhardt Bio Ltd # @	11/11/2015	USD	75.80	74.40	–	–	–	–	–	–	–	–	–	–	0.00

Notes:

1. Reporting period of the subsidiaries is April to March.
2. Wockhardt Limited, the Company, holds directly or indirectly 100% shareholding in all the subsidiaries except as mentioned in Note 3 below.
3. @ The Company holds 85.85% shareholding in Wockhardt Bio AG which in turn holds 100% shareholding in these subsidiaries.
4. Wockhardt Biologics Ltd, Wockhardt Medicines Limited, and Wockhardt Bio Limited are yet to commence operations.
5. The investments made by all the subsidiary companies are only in their step-down subsidiaries, no other investments are made by these companies.
6. 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.
7. During the year, none of the subsidiary of the Company got liquidated or sold.
8. The details contained in above AOC-1 also indicates performance and financial position of each of the subsidiaries of the Company.

For and on behalf of the Board of Directors

Habil F. Khorakiwala
Chairman
DIN: 00045608

Huzaifa Khorakiwala
Executive Director
DIN: 02191870

Murtaza Khorakiwala
Managing Director
DIN: 00102650

Zahabiya Khorakiwala
Non Executive Director
DIN: 00102689

Vinesh Kumar Jairath
DIN: 00391684

Akhilesh Gupta
DIN: 00359325

Rima Marphatia
DIN: 00444343

Directors

Debashis Dey
Company Secretary

Pramod Gupta
Chief Financial Officer

Place : Mumbai
Date : May 30, 2022

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report of the Company pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the financial year ended 31st March, 2022 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	1st April, 2021 - 31st March, 2022
7.	Sector(s) that company is engaged in (industrial activity code-wise)	NIC Code : 210 Description : Pharmaceuticals
8.	Key products/services that the Company manufactures/ provides (as in balance sheet)	a. Active Pharmaceutical Ingredients ('APIs') b. Formulations c. Bio-similars d. Vaccines
9.	Total number of locations where business activity is undertaken by the Company	**Number of National locations** Six in Maharashtra two in Daman and one in Gujarat **Number of International locations (through subsidiaries)** Six - Switzerland, USA (Illinois & New Jersey), UK, Ireland and Dubai.
10.	Markets served by the Company (Local/ State/ National/ International)	**Market served through subsidiaries/ step down subsidiaries** USA, UK, Ireland, European Union, Russia, Australia. **Direct marketing/ Others** India, Russia, Brazil, Mexico, Vietnam, Philippines, Nigeria, Kenya, Ghana, Tanzania, Uganda, Nepal, Myanmar and Egypt.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (₹) : 72.03 crore
2. Total Turnover (₹) : 1410 crore
3. Total Profit/ (Loss) after Taxes (₹) : (140 crore)
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) : Actual spent on CSR activities during the previous financial year was ₹ 7.58 lakhs. Percentage of CSR spending is not applicable as the average net profit during the three previous financial years was negative.

   During FY 2021-22, it was not mandatory for the Company to spend on CSR activities since the average net profits of the Company for the immediately preceding three financial years calculated as per Section 198 of the Act was negative, nonetheless, the Company has contributed ₹ 7.58 lakhs to Wockhardt Foundation, the CSR arm of the Company, for carrying out CSR activities.

   Wockhardt Foundation, a registered Trust engaged in welfare activities since 2008, carries out the CSR activities of the Company under the leadership of Dr. Huzaifa Khorakiwala, Trustee & CEO, Wockhardt Foundation. The Trust continuously strives for the wellbeing of the society in various areas of social concern with focus on areas covered in Schedule VII of the Companies Act, 2013 ('Act').

5. List of activities in which expenditure in 4 above has been incurred:

   The contributions made by the Company were utilised by Wockhardt Foundation in its Anaaj Plus Program and is 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 31st March 2022, the Company has 33 subsidiaries (including step down) located in Switzerland, US, UK, Ireland, Germany, France, Belgium, Mexico, Brazil, Nigeria, Russia, Australia, New Zealand and three in India.

The manufacturing plants are located in India, UK, Ireland, USA and U.A.E.

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)?

Being holding Company, majority of BR initiatives are undertaken by Wockhardt Ltd.

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 continuously works with third party partners including customers, suppliers and other stakeholders of the Company, wherever possible, through its Policies namely Whistle Blower Policy, Anti-Bribery and Anti-Corruption Policy to accomplish the BR initiatives.

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 our products are safe and the Company continually 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 for taking it appropriate forum.	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 of 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		Y	Y	Y	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:

N.A.

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?

The Business Responsibility Report of the Company forms part of the Annual Report and the same is also available on the Company's website 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?**

   In terms 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 the members of Board of Directors and Senior Management ('Code'). The Code requires every Board member and Senior Management Personnel to adhere the highest standards of professionalism, honesty and integrity along with impartiality, fairness and equity.

   The Board has also adopted Anti-bribery and Anti-corruption Policy which extend to all individuals working for all affiliates and subsidiaries of the Company at all levels including directors, senior executives, officers, employees, consultants, contractors, trainees, casual workers, volunteers, interns, agents, or any other person associated with the Company.

   Further, the Company has an internal structure to ensure implementation of 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.**

   Status of customers' complaints as on 31st March, 2022 was as under:

Sl. No.	Particulars	Nos.
1.	At the beginning of the year on 1st April, 2021	1
2.	Received during the year	48
3.	Resolved during the year	46
4.	Pending as on 31st March, 2022	3

   Shareholders' complaints

   During FY 2021-22, 9 complaints were received from the Company's equity shareholders, all of which were resolved/ responded by the Company to the satisfaction of the respective shareholders.

   Apart from this, there were 549 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. out of which 514 letters were replied/resolved as of 31st March, 2022. The pending 35 request were received at the end of March 2022 and the same were replied/resolved post 31st March, 2022.

   No complaints have been received from employees during the year under review.

Principle 2:

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   Being a pharma Company, it is always ensured that its products are safe and focuses on optimal utilisation of resources. Optimisation of resources for manufacturing of products have helped to address environmental concerns:

   - Insulin
   - Glargine
   - Dextromethorphan HBr

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?

   Continuously 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 and time/resource saving has been done for the products. Details of said improvement done for above mentioned two Products are as follows:

Sr. No.	Description	Improvements
1	Insulin	Average effective process yield improvement by 13%.
2	Glargine	Process Optimization to achieve 15 batches /month.
3	Dextromethorphan HBr	Process Optimization to achieve increase in throughput by 15%.

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 deploys sustainable sourcing process with awareness towards environment, health & 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 Clearing & Forwarding Agents ('CFA')

Under Contract Manufacturing/Management System, the Company have quality audit team which not only conducts quality audit at all central hub locations and CFAs, but also undertakes annual training programme to ensure knowledge sharing on issues relating to GDP etc. are understood by the key participants nominated by CFAs. Apart from this, CFAs are also encouraged to have their own training sessions to impart knowledge on key operational issues.

Analytical Laboratory

The Company performs Audit of Analytical Laboratory to check Compliance with Good Laboratory Practices and evaluate that all activities related to testing and identification of drugs are as per the applicable regulations. It is also checked that all required Safety equipment/measures are available in laboratory and documents are maintained as per standards required.

The Company conducts regular Training Sessions for employees on Good Laboratory Practices, system processes, 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 and strong 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 appropriate manner, wherever possible. The wastes generated from the operations are segregated into Recyclable (RC), Non-Recyclable (NRC) and Non-Recyclable Non-Biodegradable (NRCNB).

- Approximately 15% of the waste water generated from API utility section is recycled for gardening and other Non-process works.

This has resulted in reduction of equivalent raw water consumption and thereby contribution to resource saving and energy conservation.

Principle 3:

Sl. No.	Particulars		Details
1	Please indicate the Total number of employees		2,962
2	Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.		1142
3	Please indicate the Number of permanent women employees		222
4	Please indicate the Number of permanent employees with disabilities		1
5	Do you have an employee association that is recognized by management		Yes. The Company has recognized employee associations at Ankleshwar.
6	What percentage of your permanent employees is members of this recognized employee association?		About 3.34%
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		
	Category	**No of complaints filed during the financial year**	**No of complaints pending as on end of the financial year**
	Child labour/forced labour/involuntary labour	Nil	Nil
	Sexual harassment	Nil	Nil
	Discriminatory employment	Nil	Nil
8	What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?*		
	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, each Employee has to undergo safety training, without which he/she 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 initiatives 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 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, religion etc. Women candidates are encouraged to apply.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?**

   No 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?**

   The Company 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 employees.

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.**

   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 Greenhouse Gas emissions. The Company give emphasis on conservation of energy and optimum utilization of natural resources. 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 process of inventorization 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 is planning solar power generation 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 continues to undertake several initiatives for energy efficiency and cleaner technologies. Some of the energy efficient initiatives carried out by the Company at different units are as under:

   - CFL and HPMV Lamps replaced by LED lamps in phased manner.
   - Reduced operational frequency of Air Handling units to maintain Environmental condition during facility non-operational /area shutdown.
   - Chiller's set point increased from 6.5°C to 7.4°C during winter season for reduction in Power consumption.
   - Air compressor loading and unloading pressure set point decreased from 6.8 Kg/cm2 to 6.4 Kg/cm2 for reduction in Power consumption.
   - Reject water of RO, UF and Purified used in cooling tower instead of raw water
   - Reduced boiler operating pressure and achieved fuel consumption up to 3%.
   - Use of LSHS in place of Furnace oil as per pollution control notification.

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by Central/ State Pollution Control Board(s) 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.**

   3 [Includes two matters which 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 member of various professional/ trade bodies etc. through which areas of concern or importance are articulated for taking it to appropriate forum. The Company is a member of the following trade and chambers or association:

   - Indian Pharmaceuticals Alliance
   - Federation of Indian Chamber of Commerce and Industry
   - Confederation of India Industry
   - Bombay Chamber of Commerce and Industry
   - YPO- WPO International
   - Entrepreneurs Organization Mumbai

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, contributes through advocacy/ representation to various Chamber of Commerce, administration and authorities in the areas that are of concern or importance.

   The Company had earlier apprised the Government of India that Wockhardt will help Antibiotic Stewardship Program with Government to encourage responsible use of antibiotic in the Country.

   Accordingly, the Company has, inter alia, taken various initiatives in multiple forums to create awareness about the following:

   - 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 – It provides pertinent information on hospital and indication wise prevalence of Resistant Pathogens. This information would complement the activities of Antibiotic Stewardship Forum.
   - Wockhardt is also developing antimicrobial susceptibility testing devices that would provide reliable information on susceptibility of a given pathogen to Wockhardt's antibiotics under development. This would enable judicious/rational use of these new antibiotics in clinical practice which is an important element of Antibiotic Stewardship Program.

Principle 8:

1. **Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof.**

   Yes. The Company endures 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 which is engaged in social service and human welfare activities under the leadership of its Trustee & CEO, Dr. Huzaifa 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 ₹ and the details of the projects undertaken?**

   Though, it was not mandatory for the Company to spend on CSR activities, during FY 2021-22, since the average net profit of the Company for the immediately preceding three financial years calculated as per Section 198 of the Companies Act 2013, was negative, Nonetheless, the Company contributed ₹ 7.58 lakhs to Wockhardt Foundation, the CSR arm of the Company, for 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 believes that community development initiatives are adopted by the community.

Principle 9:

1. **What percentages of customer complaints/ consumer cases are pending as on the end of financial year?**

   As on 31st March, 2022, there were 3 complaints received from the Customers which were in the process of redressal.

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)**

   All relevant Product information such as approved Product label claims, Batch details, Dosage form, Generic name, Drug Warning and other text claims as per applicable approved Regulatory guidelines are displayed on the product carton and label.

   Additional detailed information along with usage of the product is provided in the form of Patient Information Leaflet (PIL), wherever applicable.

   Consumer Services contact details are also mentioned for Food/Nutraceutical Products & Dermatological Products.

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.**

   The details of cases outstanding as on 31st March, 2022 are summarised below:-

   Cases involving The Company:

   - Competition Commission of India (CCI) passed an order under the Competition Act, 2002 against Chemist and Druggist Association, Goa ('CDAG') in suo moto Case on the complaint filed by M/s. Excel Health Care, wherein pharmaceutical companies were involved as opposite parties including Wockhardt Limited. CCI imposed penalty of ₹ 10.62 Lac only on CDAG and Pharmaceutical companies including Wockhardt Limited were cleared of all allegations by the CCI. Appellant/ CDAG has challenged the findings of the CCI before NCLAT. Pleadings stands completed. Pursuant direction of the Tribunal to parties to file their written submissions, Wockhardt Ltd. has duly filed its written submissions. The matter is pending for final arguments on merits before NCLAT. The Company's exposure to risk and potential liabilities in the matter is minimal.
   - A complaint has been filed against Federation of Gujarat State Chemist & Drug Association, Ahmedabad by M/s. Amit Agencies stockist in CCI for not giving him purchase orders for distribution of drugs in Gujarat Region. The matter is being investigated by Regional Director, CCI. The Company has already provided requisite details denying the claim and complied with all the directions. After May 2018 recently a communication was received in the month of October 2021 from CCI, directing to furnish information on certain points which has been duly complied with by giving detailed replies in that regard. Also, summons were received directing Wockhardt to serve it on two of its employees seeking their attendance for the purpose of examination/ recording of statement on oath. However, the CCI office has been informed vide email of February 2022 that Wockhardt will not be in a position to ensure compliance of the summons, as the said employees are no longer associated with Wockhardt. No further communication received from CCI.

   Cases involving the subsidiaries of the Company:

   - In August 2015, Wockhardt USA LLC and Wockhardt Limited were named along with numerous other drug manufacturers as defendants in an antitrust litigation concerning the drug Namenda IR and its generic versions. The parties reached to preliminary settlement in May 2019, which was paid. The Court has yet to grant final approval of the settlement.
   - Wockhardt USA LLC and Morton Grove Pharmaceuticals, Inc. are defendants in a series of class action and individual antitrust actions alleging that generic drug manufacturers pursued a common goal of achieving artificially-inflated generic drug prices through the allocation of markets and through price-fixing agreements. These actions have been transferred to a multidistrict litigation pending in the Eastern District of Pennsylvania, In re Generic Pharmaceutical Pricing Antitrust Litigation, 16-md-2724. The parties are presently taking discovery. The parallel state actions have been stayed; no complaints were served in the state actions. On June 3, 2020, a class action lawsuit was filed in Toronto, Ontario, Canada against the generic pharmaceutical companies for violation of the Competition Act. The plaintiffs in this case make substantially the same allegations as the plaintiffs in the U.S. case. The plaintiffs further allege that defendants agreed not to sell drugs in Canada as part of the overarching conspiracy, so the defendants that did sell in Canada would be able to sell at higher prices. The depositions of defendants are ongoing.
   - Standing Rock Sioux Tribe brought an action against Morton Grove Pharmaceuticals, Inc. and other manufacturers and distributors of opioid and other drugs for alleged health care costs incurred from, *inter-alia*, health care services provided to patients allegedly suffering from addiction or disease, overdose, or death. The case has been stayed and is consolidated in the multidistrict litigation pending in the U.S. District Court for the Northern District of Ohio.

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

Pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (hereinafter referred to as 'SEBI Listing Regulations'), the Company presents the Report on Corporate Governance for the financial year ended 31st March, 2022 containing the matters detailed 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 help 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, Non-Executive and Independent Directors, representing a judicious mix of in-depth knowledge and experience.

The present strength of the Board is 11 (Eleven) Directors comprising of 6 (Six) Independent Directors, 3 (Three) Executive Directors, 1 (One) Non-Executive Non-Independent Director and 1 (One) Nominee Director nominated by Export-Import Bank of India. The Company has 3 (Three) Women Directors on its Board which includes 1 (One) Independent Director. The Chairman of the Board is an Executive Director.

During the year under review, 6 (Six) Board Meetings were held on 27th May, 2021, 22nd July, 2021, 13th August, 2021, 8th November, 2021, 6th January, 2022 and 27th January, 2022. The gap between two consecutive meetings was not more than one hundred and twenty days, thereby complying with the Regulation 17(2) of the SEBI Listing Regulations.

The composition of the Board, details of other directorships, committee positions as on 31st March, 2022 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(3)		Attendance at	
		Total Directorship(1)	Directorship in other Public Companies(2)	Chairperson(4)	Member	Board Meetings	Last Annual General Meeting (2nd August, 2021)
Dr. Habil Khorakiwala ***Chairman*** DIN: 00045608	Executive/Promoter	15	2	Nil	Nil	6	Yes
Mr. Aman Mehta DIN: 00009364	Independent	1	1	NIL	1	6	Yes
Mr. D. S. Brar DIN: 00068502	Independent	14	3	2	3	6	Yes
Dr. Sanjaya Baru DIN: 05344208	Independent	1	1	Nil	1	6	Yes
Mrs. Tasneem Mehta DIN: 05009664	Independent	Nil	Nil	Nil	Nil	5	Yes
Mr. Vinesh Kumar Jairath DIN: 00391684	Independent	6	6	Nil	6	6	Yes
Mr. Akhilesh Gupta DIN: 00359325	Independent	Nil	Nil	Nil	Nil	6	No
Mrs. Rima Marphatia DIN: 00444343	Nominee/ Representing Export-Import Bank of India	Nil	Nil	Nil	Nil	5	Yes
Dr. Huzaifa Khorakiwala ***Executive Director*** DIN: 02191870	Executive/Promoter	12	2	Nil	1	6	Yes
Dr. Murtaza Khorakiwala ***Managing Director*** DIN: 00102650	Executive/Promoter	9	3	1	Nil	6	Yes
Ms. Zahabiya Khorakiwala DIN: 00102689	Non-Executive Non-Independent Promoter	9	4	1	Nil	6	Yes

(1) *The number of total directorships is in accordance with Section 165 of the Companies Act, 2013 which excludes foreign companies and Section 8 Companies.*

(2) *Excludes directorships in Private Limited Companies, Foreign Companies and Section 8 Companies.*

(3) *This includes only Chairmanships/Memberships of the Audit Committee and Stakeholders Relationship Committee of all other listed and unlisted public limited companies as per Regulation 26 of the SEBI Listing Regulations.*

(4) *A Director, wherever he is the Chairperson of the Committee, is also a member of the Committee.*

Names of the listed entities where the said persons are Directors and the category of their directorship are as follows:

Name of Directors	Name of other listed entities in which he is Director	Category of Directorship
Dr. Habil Khorakiwala	Nil	Not Applicable
Mr. Aman Mehta	Max Financial Services Limited	Independent Director
Mr. D. S. Brar	Mphasis Limited	Independent Director
	Maruti Suzuki India Limited	Independent Director
	EPL Limited	Independent Director
Dr. Sanjaya Baru	Artemis Medicare Services Limited	Independent Director
Mrs. Tasneem Mehta	Nil	Not Applicable
Mr. Vinesh Kumar Jairath	The Bombay Dyeing and Manufacturing Company Limited	Independent Director
	Kirloskar Oil Engines Limited	Non-Executive Non-Independent Director
	Kirloskar Industries Limited	Non-Executive Non-Independent Director
	The Bombay Burmah Trading Corporation Limited	Independent Director
Mr. Akhilesh Gupta	Nil	Not Applicable
Mrs. Rima Marphatia	Nil	Not Applicable
Dr. Huzaifa Khorakiwala	Nil	Not Applicable
Dr. Murtaza Khorakiwala	Nil	Not Applicable
Ms. Zahabiya Khorakiwala	RPG Life Sciences Limited	Independent Director

As detailed in the table, none of the Directors hold directorships 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 ('Act').

Further, in compliance with Regulation 17A of the SEBI Listing Regulations, none of the Independent Directors hold directorships in more than seven listed companies. Further, none of the Independent Directors serve as Whole-time Director/ Managing Director in any listed entity. The Managing Director and Whole time Director do not serve as Independent Director on any listed Company.

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 are provided elsewhere in this Report.

Inter-se relationships among Directors

Dr. Huzaifa Khorakiwala, Executive Director, Dr. Murtaza Khorakiwala, Managing Director are the sons and Ms. Zahabiya Khorakiwala, Non-Executive Non-Independent Director is the daughter of Dr. Habil Khorakiwala, Executive Chairman. Except this, there are no inter-se relationships amongst the Directors.

(b) Selection of new Directors and Board Membership Criteria

All the Directors of the Company, including the Independent Directors are well qualified, experienced and renowned persons from the fields of pharmaceuticals, business administration, manufacturing, engineering, finance, public administration, environmental management, banking, infrastructure, governance, mergers and acquisitions and technology, amongst others. The Board's guidance provides foresight, enhances transparency and adds value in decision-making.

The Board, on the recommendation of the Nomination and Remuneration Committee has identified the key skills/ expertise / competencies desirable the context of its business(es) and sector(s), for the effective functioning of the Company as detailed below:

Sr. No	Skills/ Expertise/ Competence	Attributes
1	Leadership and General Management	Ability to envision the future and prescribe a strategic goal for the Company, help the Company to identify possible road maps, inspire and motivate the strategy, approach, processes and other such key deliverables and mentor the leadership team to channelize its energy/ efforts in appropriate direction. Be a thought leader for the Company and be a role model in good governance and ethical conduct of business, while encouraging the organization to maximize shareholder value. Should have had hands on experience of leading an entity at the highest level of management practices.
2	Industry knowledge and experience	Should possess domain knowledge in businesses in which the Company participates viz. in the fields of Pharmaceuticals, Biotechnology and a chain of advanced Super Speciality Hospitals. Must have the ability to leverage the developments in the areas as appropriate for betterment of Company's business.
3	Experience and Exposure in policy shaping and industry advocacy	Should possess ability to develop professional relationship with the Policy makers and Regulators for contributing to the shaping of Government policies in the areas of Company's businesses.
4	Governance including legal compliance	Commitment, belief and experience in setting corporate governance practices to support the Company's robust legal compliance systems and governance policies/practices.
5	Expertise/Experience in Finance & Accounts / Audit / Risk Management areas	Ability to understand financial policies, accounting statements and disclosure practices and contribute to the financial/risk management policies/ practices of the Company across its business lines and geography of operations.
6	Global Experience / International Exposure	Ability to have access and understand business models of global corporations, relate to the developments with respect to leading global corporations and assist the Company to adapt to the local environment, understand the geo political dynamics and its relations to the Company's strategies and business prospects and have a network of contacts in global corporations and industry worldwide.
7	Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
8	Pharmaceuticals, Science and Technology	Significant background and experience in pharmaceuticals sector, science and technology domain
9	Manufacturing, Quality and Supply Chain	Operational expertise and technical know-how in the area of manufacturing, quality and supply chain
10	M&A and Business Development	Examining M&A deals for inorganic growth in line with the Company's growth strategy
11	Sales, Marketing and Commercial	Experience in strategizing market share growth, building brand awareness, enhancing enterprise reputation

The eligibility of a person to be appointed as a Director of the Company is, *inter alia*, dependent on whether the person possesses the requisite desirable skill sets identified by the Board as above and whether the person is a proven leader in running a business that is relevant to the Company's business or industry or is a proven academician in the field relevant to the Company's business or industry. The Directors so appointed are drawn from diverse backgrounds and possess special skills with regard to the industries / fields from where they come.

The abovementioned desirable skills / expertise / competencies are available with the Board as a whole. The details of skill matrix and expertise vis-a-vis each member of the Board can be summarised as follows:

Sr No.	Name of Directors	Experience/ Attribute/ Expertise										
		1	2	3	4	5	6	7	8	9	10	11
1	Dr. Habil Khorakiwala	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Mr. Aman Mehta	✓	✓	✓	✓	✓	✓	✓			✓	✓
3	Mr. D. S. Brar	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Dr. Sanjaya Baru	✓	✓	✓	✓	✓	✓	✓				✓
5	Mrs. Tasneem Mehta	✓	✓	✓	✓	✓		✓				✓
6	Mr. Vinesh Kumar Jairath	✓	✓	✓	✓	✓	✓	✓				✓
7	Mr. Akhilesh Gupta	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
8	Mrs. Rima Marphatia	✓		✓	✓	✓		✓				✓
9	Dr. Huzaifa Khorakiwala	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	Dr. Murtaza Khorakiwala	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
11	Ms. Zahabiya Khorakiwala	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

(c) Independent Directors

Each Independent Directors ('IDs') fulfil the criteria/obligations as stated under Regulation 25 of the SEBI Listing Regulations.

Annually and as and when there is any change in any circumstances, each IDs are required to submit a self-declaration, confirming their independence and compliance with various eligibility criteria, among other disclosures. All such declarations are placed before the Board for information and noting.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Act read with Regulation 16(1)(b) of the SEBI Listing Regulations. In the opinion of the Board, the Independent Directors fulfil the conditions specified in section 149(6) of the Act read with Regulation 16(1)(b) of the SEBI Listing Regulations and are independent of the management.

The Company has issued formal letters of appointment to all the Independent Directors. As required under Regulation 46(2)(b) of the Listing Regulations, the terms and conditions of their appointment are posted on the Company's website and can be accessed at www.wockhardt.com

(d) Changes in Board during FY 2021-22

Mr. Akhilesh Gupta, who was earlier appointed as an Additional Director by the Board of Directors in their meeting held on 29th August, 2020 and held office upto the previous Annual General Meeting of the Company, was appointed as an Independent Director by the shareholders of the Company in their 22nd Annual General Meeting held on 2nd August, 2021. Mr. Akhilesh Gupta holds office as an Independent Director of the Company for a Term of five years from his original date of appointment i.e. upto 28th August, 2025.

(e) Board Meetings and Procedures

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. The Board meets at least once a quarter to review the quarterly financial results and other agenda items. Additional meetings are held when necessary. Committees of the Board usually meet the day before or on the day of the formal Board meeting, or whenever the need arises for transacting business. 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 their 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 every Board meeting. The Board periodically reviews the items in the Agenda and particularly reviews and approves the quarterly Financial Results, Annual Financial Statements including Cash flow Statement, Annual Operating Plans & Budgets, CAPEX etc. The recommendations of the Committees are also placed before the Board for necessary approvals. All committee recommendations placed before the Board during the year under review were unanimously accepted by the Board.

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 who are unable to join any meeting in person, are also provided with video-conferencing/ audio visual facilities to facilitate them to participate in the Board/Committee meetings. Due to the exceptional circumstances caused by the COVID-19 pandemic, all meetings in FY 2021-22, except the Meetings held on 8th November, 2021 were held through Video Conferencing ('VC').

The important decisions taken at the Board and Committee meetings are communicated to the respective department heads for the implementation of the said decisions. An Action Taken Report is prepared and reviewed periodically by the Managing Director and the actions taken on the decisions taken at the earlier Board meetings are also placed before the Board of the Company.

(f) Meeting of the Independent Directors

Pursuant to Schedule IV of the Act, the Independent Directors met on 27th January, 2022 without the presence of Non-Independent Directors and Members of the Management. The meeting of the Independent Directors was chaired by Mr. Aman Mehta, Independent Director and Chairperson of the Audit Committee.

The Independent Directors, *inter alia*, evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole, Chairman of the Board taking into account views of Executive and Non-Executive Directors and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

(g) Board Familiarisation Program

Whenever any new Independent Director is appointed, he/she is made familiar to the business and its operations and also about his role and responsibilities through presentations/programmes by Chairman, Managing Director and Senior Management. The Directors are usually encouraged to visit the plant and R&D Centres of the Company and interact with members of Senior Management as part of the programme. At the quarterly Board Meetings, a presentation is made to the Board giving an update on overview of the Company's strategy, operations, products, markets, group structure and subsidiaries, Board constitution and guidelines, matters reserved for the Board and the major risks and risk management strategy. This enables the Directors to get a deep understanding of the Company, its people, values and culture and facilitates their active participation in overseeing the performance of the Company. Further, the IDs are also presented with copies of magazines "The Wockhardian" an in-house news magazine of Wockhardt Group which provides the insights on the activities carried on by the Company.

The details of such Familiarisation Programme for IDs are available on: http://www.wockhardt.com/files/familiarisation-programme.pdf

BOARD COMMITTEES

In order to facilitate a more focussed discussion leading to better decision making and the smooth functioning of the Board. The composition of all the Board Committees are in accordance with the provisions of the Act and the SEBI Listing Regulations, wherever applicable. The details of composition are also disclosed on the website of the Company www.wockhardt.com

Details of various mandated Committees of the Board and other related information are detailed as follows:

A) AUDIT COMMITTEE

(i) Terms of reference

Pursuant to the SEBI Listing Regulations and Section 177 of the Act, the Board has constituted the Audit Committee with the primary objective to monitor and provide an effective supervision of the Management's financial reporting process, ensure fairness of Related Party Transactions, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee also oversees the work carried out in the financial reporting process by the Management, the Internal Auditor, the Statutory Auditor and the Cost Auditor and notes the robustness and adequacy of the processes and safeguards employed by each of them. The Committee further reviews the processes and controls including compliance with laws, Company Policies such as the Wockhardt Code of Conduct and Insider Trading Code, Whistle Blower Policies and any reported cases related thereto, if any. The key terms of reference of the Audit Committee, *inter alia*, includes:

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; and
- Reviewing the utilisation of loans and/or advances from/investment by the Company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower.

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 any significant findings and follow-up thereon; and
- 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 and
- 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 Act.

(ii) Meetings

During the year under review, the Audit Committee met 4 (Four) times on 27th May, 2021, 22nd July, 2021, 8th November, 2021 and 27th January, 2022, which were attended by all members of committee. The maximum gap between any two consecutive meetings was not more than one hundred and twenty days.

(iii) Composition

As on 31st March, 2022, the Audit Committee comprises of 6 (Six) Independent Directors. All the members of the Audit Committee are financially literate and possess accounting or related financial management expertise by virtue of their experience and background. Mr. Aman Mehta, is the Chairperson of the Committee. The Company Secretary acts as the Secretary of the Committee.

The details of composition of the Audit Committee and the particulars of attendance of its members at its meetings held during the previous financial year are given below:

Name of the Director/ Member	Designation	Category	Profession	No. of Meetings Attended
Mr. Aman Mehta	Chairperson	Independent	Business Professional	4
Mr. D. S. Brar	Member	Independent	Business Professional	4
Dr. Sanjaya Baru	Member	Independent	Economist	4
Mrs. Tasneem Mehta	Member	Independent	Business Professional	4
Mr. Vinesh Kumar Jairath	Member	Independent	Business Professional	4
Mr. Akhilesh Gupta	Member	Independent	Business Professional	4

The Statutory Auditors, Head of Internal Audit, Head of Finance and Executive Directors, upon invitation, attend the meetings.

Mr. Aman Mehta, Chairperson of the Audit Committee was present at the Annual General Meeting of the Company held on Monday, 2nd August, 2021.

B) NOMINATION AND REMUNERATION COMMITTEE

a) Terms of Reference, Meetings & Composition

Pursuant to the SEBI Listing Regulations and Section 178 of the Act, the Board has constituted a Nomination and Remuneration Committee broadly to oversee the Company's nomination process including succession planning for the senior management and the Board and also to assist the Board in identifying, screening and reviewing individuals qualified to serve as Directors on the Board of the Company including to determine the role and capabilities required for Independent Directors consistent with the criteria as stated by the Company in its Policy.

(i) Terms of Reference

The terms of reference of Nomination and Remuneration Committee ('NRC'), *inter alia*, includes the 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 of directors 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 diversity of board of directors;
- Extension or continuation of term of appointment of the Independent Director, on the basis of the report of performance evaluation of the Independent Directors.
- Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

(ii) Meetings

During the year under review, 3 (Three) meetings of the NRC were held on 27th May, 2021, 22nd July, 2021, and 27th January, 2022 which were attended by all members of committee.

(iii) Composition

The composition of the NRC is in accordance with Regulation 19 of the SEBI Listing Regulations read with Section 178 of the Act. As on 31st March, 2022. Mr. D. S. Brar, is the Chairperson of the Committee. The Company Secretary acts as the Secretary of the Committee.

The details of composition of the Nomination and Remuneration Committee and the particulars of attendance of its members at its meetings held during the previous financial year was as follows:

Name of the Director/ Member	Designation	Category	Profession	No. of Meetings Attended
Mr. D. S. Brar	Chairperson	Independent	Business Professional	3
Dr. Habil Khorakiwala	Member	Executive Chairman	Business Professional	3
Mr. Aman Mehta	Member	Independent	Business Professional	3
Dr. Sanjaya Baru	Member	Independent	Economist	3

b) 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 Act and 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 Act, 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.
- If in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of the Companies Act, 2013.
- 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 the 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 criterion for determining Qualifications, Positive Attributes and Independence of 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 mandated to abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Act.

Independence: A Director is considered as an 'Independent Director' if he/she meets with criteria for 'Independent Director' as laid down in Section 149(6) of the Act and rules laid thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations.

c) Performance Evaluation Criteria

The NRC has laid down the criteria for performance evaluation of Directors. In accordance with the provisions of the SEBI Listing Regulations and the Act, the performance evaluation of the individual Directors was done by the entire Board of Directors, except the respective Director who was being evaluated. 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 & financial performance; fulfilment of the independence criteria as prescribed and their independence from the management; and active participation in the affairs of the Company as Board/Committee Members.

d) 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, Stakeholders Relationship Committee, Risk Management Committee and Capital Raising Committee attended by them and reimbursement of expenses towards attending the meetings.

The remuneration paid/payable to each Director for the financial year ended 31st March, 2022 is as under:

Name of Director	No. of equity shares held by Directors as on 31st March, 2022	Remuneration for the financial year ended 31st March, 2022 (₹ in crore)			
		Sitting fees	Salary	Perquisites	Total
Dr. Habil Khorakiwala[&]	597,286	N.A.	1.68	1.12	2.80
Mr. Aman Mehta**	Nil	0.14	N.A.	N.A.	0.14
Mr. D. S. Brar**	500	0.15	N.A.	N.A.	0.15
Dr. Sanjaya Baru**	500	0.14	N.A.	N.A.	0.14
Mrs. Tasneem Mehta[#]	Nil	0.14	N.A.	N.A.	0.14
Mr. Vinesh Kumar Jairath[^]	Nil	0.15	N.A.	N.A.	0.15
Mr. Akhilesh Gupta[#]	10,000	0.14	N.A.	N.A.	0.14
Mrs. Rima Marphatia	Nil	0.05	N.A.	N.A.	0.05
Dr. Huzaifa Khorakiwala[@]	280,800	N.A.	1.68	0.72	2.40
Dr. Murtaza Khorakiwala[@]	294,060	N.A.	1.68	0.72	2.40
Ms. Zahabiya Khorakiwala[$]	Nil	0.06	N.A.	N.A.	0.06

& *Dr. Habil Khorakiwala has been re-appointed for a term of 5 (five) years with effect from 1st March, 2020 as an Executive Chairman of the Company at the Annual General Meeting held on 14th August, 2019 by way of a special resolution.*

** *Mr. Aman Mehta, Mr. D. S. Brar and Dr. Sanjaya Baru were appointed for the second term of 5 (five) years as Independent Directors from the end of the current tenure i.e. 31st March, 2019 at the Annual General Meeting of the Company held on 4th August, 2018.*

Mrs. Tasneem Mehta has been re-appointed for the second term of 5 (five) years from 30th September, 2019 to 29th September, 2024 as an Independent Director at the Annual General Meeting held on 14th August, 2019 by way of special resolution.

@ *Dr. Huzaifa Khorakiwala and Dr. Murtaza Khorakiwala were appointed for the term of 5 (five) years as an Executive Director and Managing Director respectively from the end of the current tenure i.e. 30th March, 2019 at the Annual General Meeting of the Company held on 4th August, 2018.*

$ *Ms. Zahabiya Khorakiwala was appointed as Director (Non-Executive Non-Independent) of the Company at the Annual General Meeting of the Company held on 4th August, 2018.*

^ *Mr. Vinesh Kumar Jairath has been re-appointed for the second term of 5 (five) years from 10th November, 2021 to 9th November, 2026.*

Mr. Akhilesh Gupta appointed as an Independent Director on AGM held on 2nd August, 2021 for the term of 5 (five) years with effect from his original date of appointment as an Additional Director i.e. upto 28th August, 2025.

Notes:

1. No commission has been paid to Executive and Non-Executive Directors (including Independent Directors) during the year ended 31st March, 2022.
2. Approval of the Shareholders by way of special resolution have been sought for payment of remuneration to Executive Chairman for the last two years of his Current tenure i.e. from 1st March, 2023 to 28th February, 2025.
3. There is no provision for payment of severance fees and stock options have been given, no performance linked incentives were paid to any Director. The tenure of office of the Managing Director / Executive Director is for 5 (five) years from their respective dates of appointments. The notice period of Executive Chairman, Managing Director & Executive Director is governed by service rules of the Company.
4. None of the Directors hold any stock options and convertible instruments in the Company.
5. The Non-Executive Directors on the Company's Board, apart from receiving sitting fees do not have any other pecuniary relationship or transactions vis-à-vis the Company. The details of remuneration paid to Directors have also been disclosed under the heading 'Related Party Disclosures' of Notes to Financial Statement.

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.

C) STAKEHOLDERS RELATIONSHIP COMMITTEE

Stakeholders Relationship Committee looks into mechanism of redressal of grievance of the shareholders/other security holders and recommends measures for overall improvement in the quality of investor services. The Committee reviews the status of shareholders grievances on a quarterly basis.

(a) Terms of Reference, Meetings & Composition

Pursuant to the SEBI Listing Regulations and Section 178 of the Act, the role of the Stakeholders Relationship Committee broadly covers as under:

(i) Terms of reference

- Resolving the grievances of the security holders including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- Review of status of requests i.e. processing of complaints within statutory timelines;
- Oversee of performance of Registrar and Transfer Agents;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence of the service standards adopted in respect of various services being rendered by the Registrar and Transfer Agents;
- Review of the various measures and initiatives for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

(ii) Meetings

During the year under review, 4 (Four) meetings of the Stakeholders Relationship Committee were held on 27th May, 2021, 22nd July, 2021, 8th November, 2021 and 27th January, 2022, which were attended by all members of committee.

(iii) Composition

As on 31st March, 2022, the Committee comprises of 6 (Six) Independent Directors which is in accordance with Regulation 20 of the SEBI Listing Regulations read with Section 178 of the Act. Dr. Sanjaya Baru, is the Chairperson of the Committee. The Company Secretary acts as the Secretary of the Committee.

The details of composition of Stakeholders Relationship Committee and the attendance of members at Committee meetings are given below:

Name of the Director/ Member	Designation	Category	Profession	No. of Meetings Attended
Dr. Sanjaya Baru	Chairperson	Independent	Economist	4
Mr. Aman Mehta	Member	Independent	Business Professional	4
Mr. D. S. Brar	Member	Independent	Business Professional	4
Mrs. Tasneem Mehta	Member	Independent	Business Professional	4
Mr. Vinesh Kumar Jairath	Member	Independent	Business Professional	4
Mr. Akhilesh Gupta	Member	Independent	Business Professional	4

Dr. Sanjaya Baru, Chairman of the Stakeholders Relationship Committee was present at the AGM of the Company held on 2nd August, 2021 and has answered the queries of security holders.

(b) Compliance Officer

Mr. Debashis Dey is the Company Secretary and Compliance Officer of the Company.

(c) Shareholders Complaints and Redressal

The Registrar and Transfer Agents ('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.

During FY 2021-22, 9 complaints were received from the Company's equity shareholders.

There were 549 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. out of which 514 letters were replied/resolved as of 31st March, 2022. The pending 35 request were received at the end of March 2022 and the same were replied/resolved post 31st March, 2022.

As on 31st March, 2022, no complaints were outstanding. Other than above, 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.

D) RISK MANAGEMENT COMMITTEE

Terms of Reference, Meetings & Composition

The Risk Management Committee was constituted under Regulation 21 of the SEBI Listing Regulations at the Board meeting held on 28th January, 2019. Risk Management Committee ('RMC') of the Board provides oversight and sets the tone for implementing the Enterprise Risk management ('ERM') framework across the organization. It reviews the status of key risks, progress of ERM implementation across locations and any exceptions as flagged to it, on quarterly basis.

(i) Terms of Reference

The terms of reference of Risk Management Committee, *inter alia*, includes to:

- Review the key risks, as identified, mitigation plan, categorisation of risk and provide direction relating to risks of the Company;
- Review and recommend risk appetite, risk tolerance limits and other risk parameters from time to time;
- Oversight over the effectiveness of the risk management system and processes;
- Review of the cyber security;
- Delegating powers to any member of the Committee or Official(s) of the Company;
- Such other terms of reference as may be mandated by the Board of Directors or the Regulators, from time to time; and
- To do all such acts, deeds as may be deemed necessary in connection with the Risk Management.

(ii) Meetings

During the financial year 2021-22, 1 (One) meeting of RMC was held on 8th November, 2021, which was attended by all the members of the Committee.

(iii) Composition

The Risk Management Committee comprises of Dr. Habil Khorakiwala, Executive Director, Chairman, Dr. Murtaza Khorakiwala, Managing Director and Mr. D. S. Brar, Independent Director as its members. Dr. Habil Khorakiwala is the Chairman of the Risk Management Committee. The Company Secretary acts as the Secretary of the Committee.

E) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Terms of Reference, Meetings & Composition

Corporate Social Responsibility Committee was constituted by the Board in line with the provisions of Section 135 of the Act.

(i) Terms of Reference

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 Act;
- 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.

(ii) Meetings

During the year 2021-22, 1 (One) meeting of CSR Committee was held on 27th May, 2021, which was attended by all the members of the Committee.

(iii) Composition

As on 31st March, 2022, the CSR Committee comprises of Dr. Habil Khorakiwala, Executive Chairman, Dr. Huzaifa Khorakiwala, Executive Director, Mr. D. S. Brar, Independent Director and Mr. Aman Mehta, Independent Director as its members.

Dr. Habil Khorakiwala is the Chairman of the CSR Committee.

The report on CSR is also provided in the Board's Report which forms part of this Annual Report.

F) OTHER COMMITTEES OF THE BOARD

Apart from the Committees being required mandatorily, the Board has also constituted certain Committees voluntarily and has delegated some specific powers to such Committees. Each Committee has its distinct role, scope and powers which enables more focussed deliberations and helps better decision making by the Company. The Minutes of these Committee meetings are also periodically placed before the Board for noting.

The Board has constituted following four Committees:

a) Credit Facilities Committee

b) Share Allotment Committee

c) ESOS Compensation Committee

d) Capital Raising Committee

a) Credit Facilities Committee

(i) Terms of Reference

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;
- To do all such acts, deeds, actions in relation to seeking in-principle approval of the Stock Exchanges, opening and closing the period of subscription of the Issue, determine the issue price in respect of the Securities and allot the Securities and to amend, vary or modify any of the above as may be desirable.
- 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.

(ii) Composition

As on 31st March, 2022, the Committee comprises of three Directors viz. Dr. Habil Khorakiwala, Executive Chairman, Dr. Huzaifa Khorakiwala, Executive Director and Dr. Murtaza Khorakiwala, Managing Director as its members. Dr. Habil Khorakiwala is the Chairman of the Credit Facilities Committee.

(iii) Meetings

During the year under review, 16 (Sixteen) meetings of Credit Facilities Committee were held on 9th April, 2021, 21st April, 2021, 28th April, 2021, 12th May, 2021, 21st May, 2021, 28th May, 2021, 28th June, 2021, 22nd July, 2021, 10th September, 2021, 22nd September, 2021, 21st October, 2021, 22nd December, 2021, 27th January, 2022, 15th February, 2022, 4th March, 2022 and 24th March, 2022, which were attended by all the members of the Committee.

b) Share Allotment Committee

(i) Terms of Reference

The terms of reference, *inter alia*, includes to:

- Allot preference shares;
- Redeem 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.

(ii) Composition

As on 31st March, 2022, the Committee comprises of three Directors viz. Dr. Habil Khorakiwala, Executive Chairman, Dr. Huzaifa Khorakiwala, Executive Director and Dr. Murtaza Khorakiwala, Managing Director as its members. Dr. Habil Khorakiwala is the Chairman of the Share Allotment Committee.

(iii) Meetings

During the year under review, 2 (Two) meetings of Share Allotment Committee meetings were held on 17th August, 2021 and 18th October, 2021. The Committee meetings were attended by all the members except Dr. Murtaza Khorakiwala who could not attend the meeting held on 17th August, 2021 and leave of absence was granted to him.

c) ESOS Compensation Committee

As per Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the ESOS Compensation Committee constituted by the Board is in place.

(i) Terms of Reference

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 eligibility 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; and
- Other incidental matters pertaining to the Scheme of the Company.

(ii) Composition

As on 31st March, 2022, ESOS Compensation Committee comprises of Dr. Sanjaya Baru, Independent Director, Chairperson of the Committee, Dr. Habil Khorakiwala, Executive Director and Mrs. Tasneem Mehta, Independent Director as its members.

(iii) Meetings

During the year under review, 3 (Three) meetings of ESOS Compensation Committee were held on 22nd July, 2021, 8th November, 2021 and 27th January, 2022 which were attended by all the members of the Committee.

d) Capital Raising Committee

(i) Terms of Reference

- To analyse various options for raising of capital;
- To crystallize pricing and size after negotiations by the management with the potential investment bankers / investors etc.;
- To appoint the issue management and issue related agencies;
- To review / finalise / approve issue related documents;
- To finalise the mode of issue of raising funds (i.e. equity, preference, debentures, bonds) including the terms of issue thereof;
- To extend / roll-over / alter the terms & conditions of preference shares / debentures / bonds including the date of payment of interest and / or redemption amount thereof;

- Incurring necessary expenditure;
- Delegating all its powers to any member of the Committee or Official(s) of the Company;
- To do all such acts, deeds as may be deemed to be necessary in connection with the capital raising exercise.
- To do all such acts, deeds, actions in relation to seeking in-principle approval of the Stock Exchanges, opening and closing the period of subscription of the Issue, determine the issue price in respect of the Securities and allot the Securities and to amend, vary or modify any of the above as may be desirable.

(ii) Composition

As on 31st March, 2022, Capital Raising Committee comprises of Dr. Habil Khorakiwala, Executive Chairman, Mrs. Tasneem Mehta, Independent Director, Mr. Vinesh Kumar Jairath, Independent Director and Dr. Murtaza Khorakiwala, Executive Director as its members. Dr. Habil Khorakiwala is the Chairman of the Capital Raising Committee.

(iii) Meetings

During the year under review, 4 (Four) meetings of the Capital Raising Committee were held on 27th February, 2022, 3rd March, 2022, 4th March, 2022 and 28th March, 2022. The Meetings were attended by all members of the Company except Mr. Vinesh Kumar Jairath and Mrs. Tasneem Mehta who could not attend the meeting held on 27th February, 2022, 3rd March, 2022, 4th March, 2022 and 28th March, 2022 and leave of absence was granted to them.

4. GENERAL BODY MEETINGS

a) Details of last three Annual General Meetings:

The day, date, time and location of the AGMs held during the last three years, and the special resolution(s) passed there at by e-voting and poll, are as follows:

Financial Year ended	Day and Date	Time	Location	Special Resolution Passed
31st March, 2021	Monday, 2nd August, 2021	11.00 a.m.	Through Video Conferencing(VC)/ other Audio Visual means(OAVM)	1) Re-appointment of Mr. Vinesh Kumar Jairath as an Independent Director of the Company. 2) Approval for continuation of Mr. Aman Mehta as an Independent Director upon his attainment of age of 75 years till the completion of his term. 3) Approval for payment of remuneration to Dr. Huzaifa Khorakiwala, Executive Director of ₹ 2.40 crore for a period of 2 (two) years commencing from 31st March, 2022 till the expiry of his term of appointment i.e. 30th March, 2024 4) Approval for payment of remuneration to Dr. Murtaza Khorakiwala, Managing Director of ₹ 2.40 crore for a period of 2 (two) years commencing from 31st March, 2022 till the expiry of his term of appointment i.e 30th March, 2024. 5) Approval 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 ₹ 1,500 crore
31st March, 2020	Monday, 3rd August, 2020	12.00 noon	Through Video Conferencing(VC)/ other Audio Visual means(OAVM)	1) Approval 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 ₹ 1,500 crore
31st March, 2019	Wednesday, 14th August, 2019	12.00 noon	The Benchmark, Nakshatrawadi, Paithan Road, Aurangabad- 431 005	1) Re-appointment of Dr. Habil Khorakiwala as an Executive Chairman and Fixation of Remuneration. 2) Re-appointment of Mrs. Tasneem Mehta as an Independent Director of the Company. 3) Approval 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 ₹ 1,500 crore.

b) Extraordinary General Meeting:

No Extraordinary General meeting of the members was held during FY 2021-22.

c) Postal Ballots:

During the year under review, no resolution was passed via Postal Ballot.

5. MEANS OF COMMUNICATION

- **Website:** The Company's website 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 & Share split History 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, investor communications, shareholding pattern is available in a user friendly and downloadable form.
- **Financial Results:** The quarterly, half yearly and annual financial results of the Company are submitted to the BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') immediately after approval of the Board. The results of the Company are published in one English daily newspaper [Business Standard (English)] and one Marathi newspaper [Navshakti (Vernacular)] within 48 hours of approval thereof and are also posted on Company's website www.wockhardt.com
- **Annual Report:** Annual Report containing, *inter alia*, the Audited Standalone and consolidated financial statements, Board's Report, Independent Auditors' Report, Corporate Governance Report, Business Responsibility Report, Management Discussion & Analysis (MD&A) is circulated to the members and others entitled thereto. The same is also available on the website of the Company www.wockhardt.com
- **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 designed Email Id: investorrelations@wockhardt.com exclusively for shareholders/investors servicing.
- **Uploading on NSE Electronic Application Processing System (NEAPS) and BSE Corporate Compliance & Listing Centre (BSE Listing Centre):** NEAPS and BSE Listing Centre are web-based applications designed by NSE and BSE respectively. The quarterly results, quarterly/periodic compliances, corporate actions, and all other corporate communications to the stock exchanges are filed electronically on NEAPS for NSE and on BSE Listing Centre for BSE.

  The Company also mandatorily uploads corporate governance, shareholding pattern, financial results, voting results, reconciliation of share capital audit report etc. and disclosures under SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, on NEAPS and BSE Listing Centre in XBRL mode.
- **SEBI Complaints Redressal System (SCORES):** SCORES is an online facility, where investors can submit their complaints for redressal by the RTA/Company. The investor complaints are processed in a centralized web-based complaints address system. The salient features of this system are: centralized database of all complaints, online upload of Action Taken Report (ATRs) by companies and online viewing by investors of actions taken on the complaint and its current status.

6. GENERAL SHAREHOLDER INFORMATION

23rd Annual General Meeting

The 23rd AGM of the Company will be held on Friday, 12th August, 2022 at 11.00 am through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") pursuant to the MCA General Circular nos. 14/2020 and 17/2020 dated 8th April, 2020 and 13th April, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID-19" and General Circular no. 20/2020 dated 5th May, 2020 read with General Circular nos. 02/2021 dated 13th January, 2021, 21/2021 dated 14th December, 2021, 02/2022 dated 5th May 5, 2022 respectively in relation to "Clarification on holding of Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)", (collectively referred to as "MCA Circulars") dated 5th May, 2020 and 13th January, 2021. The meetings shall be deemed to held from the Registered Office of the Company at D-4, MIDC, Chikalthana, Maharashtra – 431006. For the details please refer the Notice of the AGM.

Financial Year and Tentative Financial Calendar

Financial Year – 1st April, 2022 to 31st March, 2023

Tentative Schedule for declaration of financial results during the financial year 2022-23 and holding of AGM is as under:

Results of Quarter ending 30th June, 2022	On or before 14th August, 2022
Results of Quarter ending 30th September, 2022	On or before 14th November, 2022
Results of Quarter ending 31st December, 2022	On or before 14th February, 2023
Results for financial year ending 31st March, 2023	On or before 30th May, 2023
AGM for the year ending 31st March, 2023	On or before 30th September, 2023

Listing on Stock Exchanges

Equity Shares	BSE Limited (BSE)	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001
	National Stock Exchange of India Limited (NSE)	Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (E), Mumbai–400 051

Listing fees, as applicable, have been paid.

Dividend Payment Date

The Board has not recommended any dividend on Preference and Equity Shares of the Company for the year ended 31st March, 2022.

Unclaimed Dividends

The Company is required to transfer dividend which remained unpaid / unclaimed for a period of seven years to the Investor Education and Protection Fund ('IEPF') established by the Central Government. Dividend declared upto the year ended 31st March, 2015 were transferred to IEPF Account. As on 31st March, 2022, no dividend is due to be transferred to IEPF account thereafter and as on date.

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
2016-17	Interim	10th November, 2016	16th December, 2023

Members who have not encashed dividend, as detailed above, are requested to have them revalidated and / or encash to avoid transfer to IEPF. Members may note that the Company, from time to time, have intimated the shareholders to encash their unclaimed dividend at the earliest.

Stock Codes

(a) Stock code

BSE Limited (BSE) : 532300
National Stock Exchange of India Limited (NSE) : WOCKPHARMA

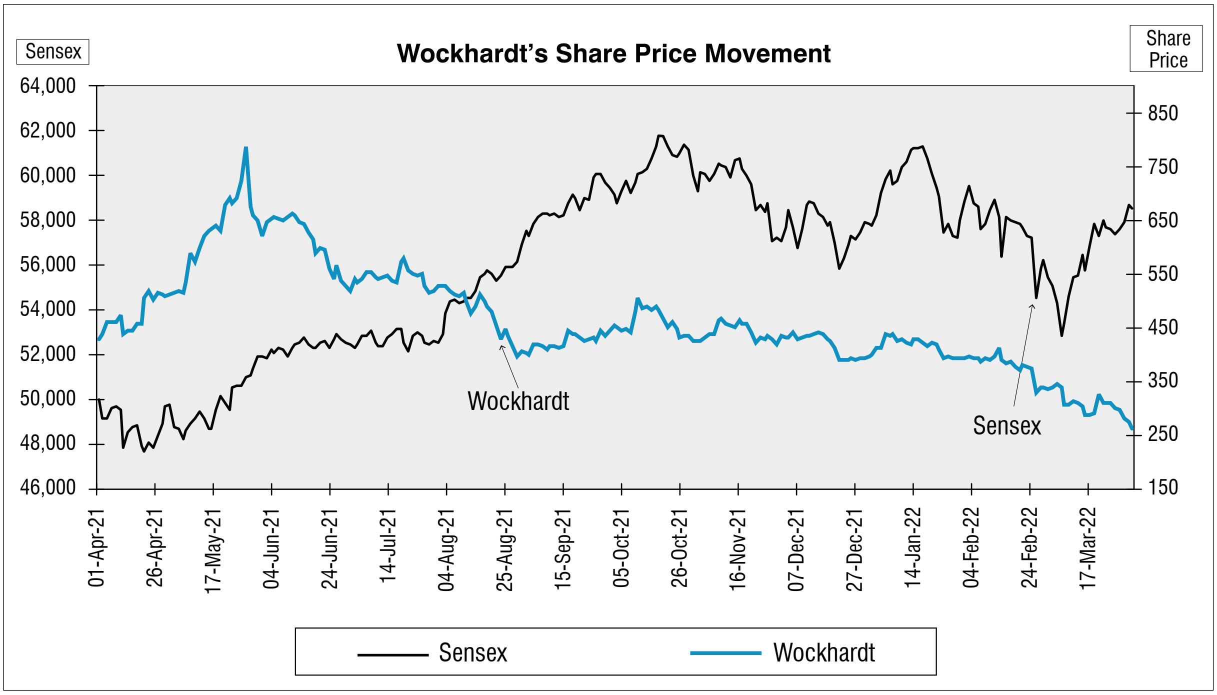
(b) Corporate Identity Number (CIN) : L24230MH1999PLC120720

MARKET PRICE DATA: High/Low and number of shares traded during each month in the financial year 2021-22 on NSE and BSE

Month	N S E			B S E		
	High (₹)	Low (₹)	Monthly Volume	High (₹)	Low (₹)	Monthly Volume
April - 2021	547.70	414.75	41,231,381	547.70	415.00	3,278,753
May - 2021	804.90	512.40	90,975,717	804.50	512.55	5,905,633
June - 2021	677.00	516.00	24,221,383	676.80	515.05	3,639,729
July - 2021	592.00	507.80	18,353,889	591.00	508.00	1,819,535
August - 2021	541.70	393.20	15,963,854	541.25	394.00	3,213,467
September - 2021	466.00	398.00	15,118,062	465.45	398.25	1,901,814
October - 2021	534.30	418.25	19,525,937	533.95	418.25	2,803,941
November - 2021	479.65	412.15	14,191,149	479.45	412.95	1,148,667
December - 2021	454.85	371.75	14,204,680	454.70	388.00	1,601,074
January - 2022	456.50	379.30	15,908,639	456.20	379.80	1,285,407
February - 2022	420.30	325.30	10,376,479	419.95	326.25	775,822
March - 2022	348.90	254.30	23,339,584	348.55	253.20	2,489,595

Source: Websites of NSE and BSE

STOCK PRICE PERFORMANCE INDEX IN COMPARISON WITH BSE SENSEX FOR THE FINANCIAL YEAR 2021-22



Source : Website of BSE and NSE

SUSPENSION FROM TRADING:

No securities of the Company have been suspended from trading on any of the stock exchanges where they are listed.

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited
C-101, 247 Embassy Park,
Lal Bahadur Shastri Marg,
Vikhroli (West),
Mumbai 400 083, India
Telephone: +91 22 4918 6270
Fax: +91 22 4918 6060
Email: wockhardt@linkintime.co.in
Website: www.linkintime.co.in

Link Intime India Private Limited also acted as the Registrar to the Issue for the Rights Issue of the Company, which was concluded in the month of March 2022.

SHARE TRANSFER SYSTEM

SEBI has mandated that securities of listed companies can be transferred only in dematerialized form from 1st April, 2019, barring certain instances. In view of the above; and to avail various benefits of dematerialization / for ease of convenience, members are advised to dematerialize shares held by them in physical form.

Requests for dematerialization/rematerialization of shares are processed and the confirmation is given to depositories within 15 days/30 days, from the date of receipt, as may be applicable, 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.

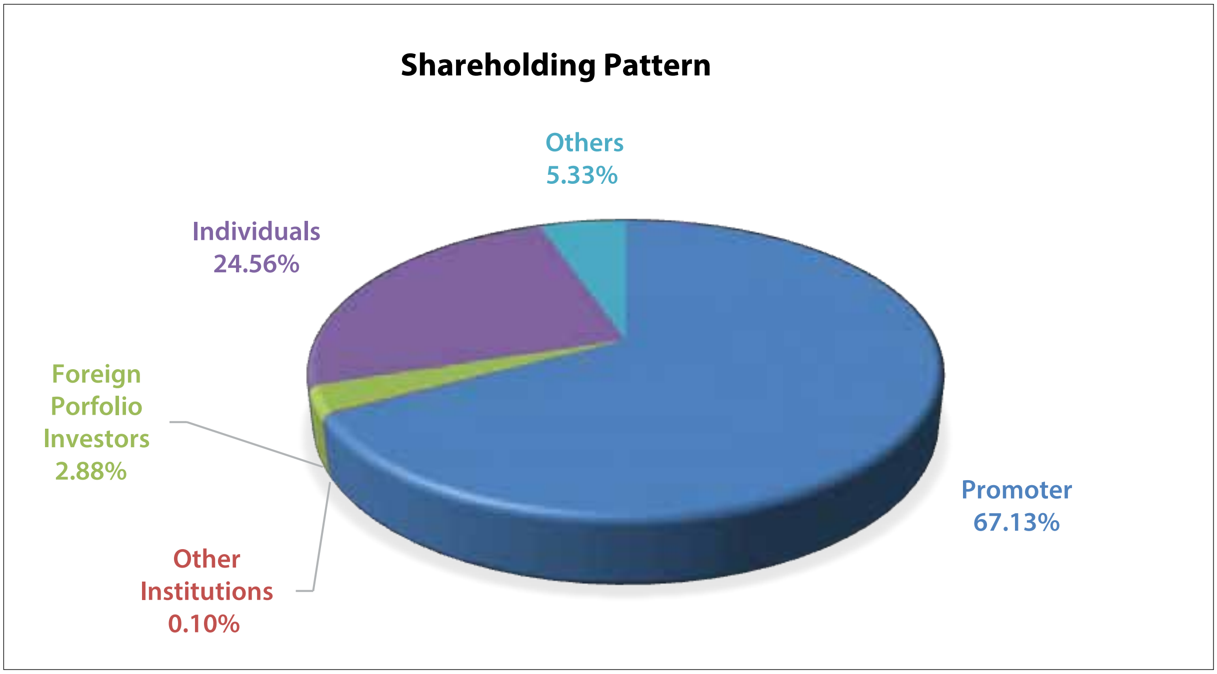
Company obtains a half-yearly Compliance Certificate from a Company Secretary in Practice as required under Regulation 40(9) of the SEBI Listing Regulations and file a copy of the said Certificate with the Stock Exchanges.

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 share transfer facility are being maintained by the RTA for the half year ended 30th September, 2021 and 31st March, 2022 have been duly submitted to the Stock Exchanges.

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2022

No. of Equity Shares	No. of Shareholders	% of total Shareholders	Amount in ₹	% of total Amount
1 – 500	165,349	93.0747	66,556,410	9.24
501 – 1000	7,475	4.2077	26,847,650	3.73
1001 – 2000	2,825	1.5902	20,171,430	2.80
2001 – 3000	726	0.4087	9,144,000	1.27
3001 – 4000	377	0.2122	6,741,375	0.94
4001 – 5000	193	0.1086	4,425,160	0.61
5001 – 10000	400	0.2252	14,025,615	1.95
Above 10000	307	0.1728	572,389,125	79.46
TOTAL	**177,652**	**100.0000**	**720,300,765**	**100.00**

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2022



Notes:

1. *During the year under review, the Company allotted 33,244,650 equity shares of ₹ 5 each as Rights Issue pursuant to which the paid up Equity Share Capital of the Company has been increased by ₹ 166,223,250*

2. *During the year, paid up Equity Share Capital of the Company has been increased by ₹ 171,750 due to allotment of 34,350 equity shares of ₹ 5 each pursuant to exercise of stock options.*

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 31st March, 2022, 143,539,954 equity shares representing 99.64% of the Company's total paid-up equity share capital were held in dematerialized mode. Out of Public Shareholding of 47,346,210 equity shares, 46,826,011 equity shares representing 98.90% of the Public Shareholding is in dematerialized mode.

The International Securities Identification Number (ISIN) assigned to Company's Equity Shares is INE049B01025.

GDRs/ADRs/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS

As on 31st March, 2022, the Company has no outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments.

COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

Since the Company is pharmaceutical business, the Company does not face any significant Commodity price fluctuation risks. The foreign exchange exposures are adequately hedged by the Company.

PLANT LOCATIONS

(a) Wockhardt Limited

B-15/2, MIDC Waluj, Maharashtra-431136, India Tel: +91 240 6636400	87-A, Silver Industrial Estate Bhimpore, Nani Daman, Daman-396210, India Tel: +91 260 6610300	E-1/1, MIDC, Shendra, Maharashtra-431154, India Tel: +91 240 6662222
H-14/2, MIDC Area Waluj, Maharashtra-431136, India Tel: +91 240 6664444	106-4/5/7, Daman Industrial Estate, Kadaiya, Nani Daman, Daman-396210, India Tel: + 91 260 6633200	Village Kote Baggu, Ludhiana, Ferozpur Road, Jagraon-142026, India Distt.-Ludhiana (Punjab) Tel: +91 1624 227080
L-1, MIDC, Chikalthana, Maharashtra-431210, India Tel: +91 240 6637444	138, GIDC Estate, Ankleshwar-393002 Gujarat, India Tel: +91 2646 661400	

(b) Plant location of Subsidiaries of Wockhardt Limited

CP Pharmaceuticals Limited Ash Road, North Wrexham Industrial Estate, Wrexham, LL13 9UF Wales, UK Tel: +44 1978 661261	Pinewood Healthcare Ballymacarbry, Clonmel Co. Tipperary, Ireland Tel: +353 52 6186000
Morton Grove Pharmaceuticals Inc 6451, Main Street, Morton Grove Illinois 60053-2633, USA Tel: +1 847 9675600	Wockhardt Bio AG Plot No. S60302, Street S1500 JAFZA, South Dubai, U.A.E

ADDRESS FOR CORRESPONDENCE

Registrar and Transfer Agent	**Secretarial Department**
Link Intime India Private Limited C-101, 247, Embassy Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai - 400 083, Tel No. : +91 22 4918 6270 Fax No. : +91 22 4918 6060 Email : wockhardt@linkintime.co.in	Wockhardt Limited, Wockhardt Towers, Bandra - Kurla Complex, Bandra (East), Mumbai 400 051. Tel No. : 022 2653 4444; Fax No. : 022 2652 7860; 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 year under review 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.

LIST OF ALL CREDIT RATINGS OBTAINED ALONG WITH THE REVISIONS THERETO DURING THE RELEVANT FINANCIAL YEAR FOR ALL DEBT INSTRUMENTS OR ANY FIXED DEPOSIT PROGRAMME OR ANY SCHEME OR PROPOSAL INVOLVING MOBILISATION OF FUNDS WHETHER IN INDIA OR ABROAD

(a) CARE Ratings

Sr. No.	Name of the Instrument/Bank Facilities	Last Rating assigned before beginning of FY 2021-22	Revisions in ratings assigned in FY 2021-22	Current Rating
1.	Fund-based	CARE BBB-; Stable [Triple B Minus; Outlook: Stable]	Unchanged	CARE BBB-; Stable [Triple B Minus; Outlook: Stable]
2.	Non-fund-based	CARE A3 [A Three]	Unchanged	CARE A3 [A Three]
3.	Debentures – Non-Convertible Debentures	CARE BBB-; Stable [Triple B Minus; Outlook: Stable]	Unchanged	CARE BBB-; Stable [Triple B Minus; Outlook: Stable]

(b) India Ratings & Research

Sr. No.	Name of the Instrument/Bank Facilities	Last Rating assigned before beginning of FY 2021-22	Revisions in ratings assigned in FY 2021-22	Current Rating
1.	Fund-based	IND BBB-/ Stable	IND BBB-/Stable (30.09.21)	IND BBB-/ Stable
2.	Non-fund-based	IND A3	IND A3 (30.09.21)	IND A3

RRWE: (Rating watch evolving) indicates that ratings may be affirmed, downgraded or upgraded.

EQUITY SHARE CAPITAL HISTORY OF THE COMPANY SINCE INCORPORATION UP TO 31ST MARCH, 2022

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

Date of allotment	No. of equity shares	Cumulative No. of Equity Shares	Face value (in ₹)	Consideration	Nature of allotment	Cumulative share capital (in ₹)
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
20.10.2014	32,500	110,040,403	5	Cash		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
08.06.2017	15,200	110,563,228	5	Cash		552,816,140
28.11.2017	33,600	110,596,828	5	Cash		552,984,140
16.02.2018	33,625	110,630,453	5	Cash		553,152,265
15.06.2018	8,200	110,638,653	5	Cash		553,193,265
17.07.2018	12,800	110,651,453	5	Cash		553,257,265
01.10.2018	34,750	110,686,203	5	Cash		553,431,015
04.06.2019	18,800	110,705,003	5	Cash		553,525,015
10.09.2019	30,000	110,735,003	5	Cash		553,675,015
23.09.2020	21,950	110,756,953	5	Cash		553,784,765
16.12.2020	20,000	110,776,953	5	Cash		553,884,765
09.03.2021	4,200	110,781,153	5	Cash		553,905,765
17.08.2021	23,600	110,804,753	5	Cash		554,023,765
18.10.2021	10,750	110,815,503	5	Cash		554,077,515
28.03.2022	33,244,650	144,060,153	5	Cash	Allotment of shares pursuant to issue of rights shares	720,300,765

7. DISCLOSURES

a. Related Party Transactions

All the transactions entered into by the Company with related parties during the year under review were in the ordinary course of business and on an arm's length basis as defined in the Act. All the related party transactions were approved by the Audit Committee and the Board. During the previous financial year there were no Related Party Transactions that may have potential conflict with the interest of listed entity at large.

In compliance with Indian Accounting Standards (IND-AS) – 24, transactions with related parties are disclosed in the Notes to Financial Statements and details of all material transaction(s), with related parties are also disclosed in the Compliance Report on Corporate Governance filed with the Stock Exchanges on quarterly basis.

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/prt-31122.pdf

The details about Material 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. Whistle Blower Policy/Vigil Mechanism

In line with Regulation 22 of the SEBI Listing Regulations and Section 177 of the Act, Whistle Blower Policy/ Vigil Mechanism 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 Chairman of the Audit Committee in exceptional cases. Further, it is affirmed that no person has been denied access to the Audit Committee.

The Whistle Blower Policy has been placed on website of the Company www.wockhardt.com

d. Compliance with mandatory and non-mandatory requirements

The Company is in compliance with the mandatory requirements of the Code on Corporate Governance as specified in Regulations 17 to 27 read with Schedule V and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.

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
- Separate posts of Chairman and Managing Director – Dr. Habil 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 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22 thereby moving towards regime of unqualified/unmodified financial statements.

e. Material Subsidiaries

As on 31st March, 2022, Wockhardt USA LLC, Wockhardt Bio AG, Wockhardt UK Limited, Pinewood Laboratories Limited and CP Pharmaceuticals Limited are the material subsidiaries of the Company as per the criteria specified under the SEBI Listing Regulations.

The Policy for determining material subsidiaries is uploaded on the website of the Company and can be accessed through weblink: http://www.wockhardt.com/files/pms-31122.pdf. During the year under review, in compliance with Regulation 24 of the SEBI Listing Regulations, Dr. Sanjaya Baru, an Independent Director of the Company was appointed on the Supervisory Board of Wockhardt UK Limited.

f. 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 which are consistently applied in preparation of the financial statements as per Ind AS have been set out in the Notes to financial statements.

g. CEO/CFO Certification

In terms of requirements of Regulation 17(8) of the SEBI Listing Regulations read with Part B of Schedule II thereunder, Dr. Murtaza Khorakiwala, Managing Director and Mr. Pramod Gupta, Chief Financial Officer have furnished certificate to the Board in the prescribed format for the year ended 31st March, 2022. The certificate has been reviewed by the Audit Committee and taken on record by the Board at the meeting held on 30th May, 2022.

h. Risk Management

The Risk Management Committee of the Board ('RMC') shall comprise of such number of the members as may be decided by the Board from time to time. It shall have oversight over the effectiveness of the risk management system and processes. Key risks identified along with the mitigating controls shall be presented to the RMC at least once in a year. Overdue pending action plans shall also be presented to the RMC. If any such situation arises which requires presentation of risks at a frequent duration, the Committee may meet at a higher frequency accordingly.

The Company did not have any material commodity price risk and hedging activities during the year under review, hence no disclosures on commodity price risk and hedging activities as mandated by SEBI vide its Circular No. SEBI/ HO/ CFD/CMD1/CIR/P/2018/0000000141 dated 15th November, 2018 forms part of this Report. Further, currency risk/ foreign exchange risk is stated in Note no. 44(iii)(a) of Notes forming part of Standalone Financial Statements of this Annual Report.

The other details about Risk Management have also been provided in the Board's Report forming part of this Annual Report.

i. Details of Utilisation of Funds

During the year ended on 31st March, 2022, except for 34,350 shares issued under ESOP, were no funds were raised through preferential allotment or qualified institutions placement.

During the previous financial year, the Company has raised ₹ 7.48 crores through issue of 3,32,44,650 fully paid-up equity shares of ₹ 5 each, through Rights Issue.

As on 31st March, 2022, the status of utilisation of Funds raised under the Rights Issue was as follows:

Original Object	Modified Object, if any	Original Allocation (₹ in crore)	Modified allocation, if any	Funds Utilised	Amount of Deviation/Variation for the quarter according to applicable object	Remarks if any
Repayment, in full or part, of certain subordinated debt and certain outstanding borrowings (including interest) availed by the Company	No	590	Nil	500	Nil	NA
General corporate purposes	No	152	Nil	55.40	Nil	NA
Total Net Proceeds*		**742**		**555.40**		

j. Certificate from Company Secretary in Practice on Non-Disqualification of Directors of the Company

A Certificate issued by Mr. Virendra G. Bhatt, Practicing Company Secretary, certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such Statutory Authority.

k. Instances where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year and reasons for the same

During the year under review, there were no instances where the board had not accepted any recommendation suggested by any of the Board committee.

l. Prohibition of Insider Trading

The Company has in place policy on 'Code of Conduct for Regulating, Monitoring and Reporting Trading by Designated Persons' (hereinafter referred to as 'Code') 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 trading window is closed during the time of declaration of results and occurrence of any material events as per the code. 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 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 31st March every year in the 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.

The Company has also implemented the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2020 applicable with effect from 17th July, 2020 and Securities and Exchange Board of India (Prohibition of Insider Trading) (Second Amendment) Regulations, 2020 applicable with effect from 29th October, 2020, along with adoption of all the requisite policies.

m. 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 are made elsewhere in this Report.

n. Policies

The brief about the policies and weblink thereto have been provided in the Board's Report forming part of this Annual Report.

o. Total Fees for all services paid to the Statutory Auditors

The total fees for all the services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors and all entities in the network firm/network entity of which Statutory Auditors is a part is as follows:

(₹ in crore)

Particulars	For the year ended 31st March, 2022
Statutory Audit Fees	1.38
Tax Audit Fees	0.24
Fees for other Services	0.40
Out-of-pocket expenses	0.06
Total Auditor's Remuneration	**2.08**

p. Disclosures in Relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

There were no complaints received by the Company under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the previous year. Further details have been disclosed in the Board's Report and Business Responsibility Report forming part of this Annual Report.

q. Loan to Directors

During the previous year, the neither the Company nor any of its subsidiaries have given any loan or advances in the nature of loan to any director or any firm/ Companies in which such directors are interest.

r. Non Compliance:

There is no non-compliance of any of the requirements of the Corporate Governance report as required under the SEBI listing Regulations.

s. 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 the Act. The said Code is available on the website of the Company www.wockhardt.com

All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2022. A declaration to this effect signed by Dr. Murtaza Khorakiwala, Managing Director forms part of this Report.

t. Compliance with Discretionary Requirements as specified in Part E of Schedule II:

The Board:

The company has the Executive Chairman's and his Office is at Companies Premises maintained by the Company.

Shareholders Rights:

Quarterly financial results including summary of the significant events during the previous three months are being sent to shareholders.

Modified opinion(s) in audit report:

There is no qualification in the Auditors report on the financial statements to the shareholders of the Company.

Reporting of Internal Auditors:

Internal auditors are invited at the meetings of the Audit Committee wherein they report directly to the Committee.

8. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT:

During the year ended 31st March, 2022,

(a) Aggregate 53 number of shareholders (total no. of certificates is 56) holding 10,300 outstanding shares were lying in the suspense account at the beginning of the year;

(b) During the year, 1 Shareholder approached the company for transfer of 100 shares from suspense account of the Company;

(c) During the year, 1 Shareholder, 100 shares were transferred from unclaimed suspense account;

(d) Aggregate 52 number of shareholders (total no. of certificates is 55) holding 10,200 outstanding shares are lying in the suspense account at the end of the year;

(e) Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

For and on behalf of Board of Directors

Dr. Habil Khorakiwala
Chairman
DIN: 00045608

Place: Mumbai
Date: 30th May, 2022

AFFIRMATION OF COMPLIANCE WITH CODE OF BUSINESS CONDUCT AND 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 Business Conduct and Ethics" of the Company for the financial year ended 31st March, 2022 from all the Board Members and the Senior Management Personnel.

For **WOCKHARDT LIMITED**

Dr. Murtaza Khorakiwala
Managing Director
DIN: 00102650

Place: Mumbai
Date: 30th May, 2022

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 31st March, 2022, as stipulated in the 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 SEBI Listing Regulations for the year ended 31st March, 2022.

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 Regulations. 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 my information and according to the explanation given to me and based on the representations made by the Management, I certify that the Company has prima facie 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 G. Bhatt
Practicing Company Secretary
ACS No.: 1157/COP No.: 124
Peer Review Cert. No.: 1439/ 2021

Place: Mumbai
Date : 30th May, 2022

UDIN: A001157D000430652

Note:

I have conducted online verification and examination of records, as facilitated by the Company due to Covid-19 and subsequent lockdown situation for the purpose of issuing this Certificate.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of
Wockhardt Limited
Wockhardt Research Centre,
D-4, M.I.D.C. Chikalthana, Aurangabad – 431006.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of the **Wockhardt Limited** having CIN: L24230MH1999PLC120720 and having registered office at Wockhardt Research Centre, D-4, M.I.D.C. Chikalthana, Aurangabad – 431006 (hereinafter referred to as "the Company"), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its Officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March, 2022 have been disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs:

Sr. No.	Name of the Director	DIN	Date of Appointment
1.	Aman Mehta	00009364	12/02/2004
2.	Habil Fakhruddin Khorakiwala	00045608	08/07/1999
3.	Davinder Singh Brar	00068502	06/08/2012
4.	Murtaza Habil Khorakiwala	00102650	29/06/2009
5.	Zahabiya Habil Khorakiwala	00102689	30/10/2017
6.	Akhilesh Krishna Gupta	00359325	29/08/2020
7.	Vinesh Kumar Jairath	00391684	10/11/2016
8.	Rima Nayan Marphatia	00444343	06/05/2019
9.	Huzaifa Habil Khorakiwala	02191870	29/06/2009
10.	Tasneem Vikram Singh Mehta	05009664	30/09/2014
11.	Sanjaya Baru	05344208	06/08/2012

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as 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 G. Bhatt
Practicing Company Secretary
ACS No.: 1157 / COP No.: 124
Peer Review Cert. No.:1439/ 2021

Date : 02nd May, 2022
Place: Mumbai

UDIN: A001157D000255004

Note:

I have partially conducted online verification and examination of records, as facilitated by the Company due to Covid-19 and subsequent lockdown situation for the purpose of issuing this Certificate.

NOTES

Bankers (Indian Operations)

- State Bank of India
- Bank of Baroda
- ICICI Bank Limited
- IDBI Bank Limited
- Punjab National Bank

Auditors

- B S R & Co. LLP

Solicitors

- Cyril Amarchand Mangaldas
- Khaitan & Co., LLP
- Cleary Gottlieb Steen & Hamilton LLP
- King and Spalding
- Kelley Drye & Warren LLP

Registered Office

D-4 MIDC
Chikalthana
Aurangabad-431006 India
CIN: L24230MH1999PLC120720
Phone: 91-240-6694444
Fax: 91-240-2489219
Website: www.wockhardt.com

WOCKHARDT | LiFE WiNS

India's 1st Research Antibiotic

May 2020 — Launched with 1,300+ Patient Data from Clinical Trials (Phase I, II, III)

March 2021 — 1,229 Real World Patient Data on Safety and Efficacy

May 2021 — 7,000+ Patients Served all over India

April 2022 — Ongoing Investigator Initiated Studies – Bone and Joint Infections, Community Acquired Bacterial Pneumonia, Bacteraemia, Immunocompromised Patients

May 2022 — 20,000+ Patients Treated Countrywide

Abbreviated prescribing information of EMROK® & EMROK®O

EMROK® (Levonadifloxacin Injection 800 mg/100 ml for intravenous infusion) and **EMROK®O** (Levonadifloxacin tablets 500 mg). **THERAPEUTIC INDICATION:** For adults (≥ 18 years of age) for the treatment of Acute Bacterial Skin and Skin Structure Infections (ABSSSI) including diabetic foot infections and concurrent bacteraemia caused by susceptible isolates. **POSOLOGY AND METHOD OF ADMINISTRATION:** Administer 800 mg of EMROK every 12 hours by intravenous infusion over a period of 90 minutes for 7-14 days or following appropriate duration of intravenous therapy, based on physician discretion, switch over to oral EMROK O 1000 mg (two tablets of 500 mg each) every 12 hours. EMROK O tablets to be swallowed sequentially with sufficient amount of water and may be taken independent of food. **SPECIAL POPULATIONS:** Hepatic impairment - No dosage adjustment is required in patients with hepatic impairment. Renal impairment - Pharmacokinetic studies with levonadifloxacin in renal impaired patients have not been conducted. Pregnancy - Category C. Pediatric use - In patients under 18 years of age is not recommended. Geriatric patients - Caution should be used when prescribing EMROK/EMROK O to elderly patients especially those on corticosteroids. **CONTRAINDICATIONS:** In individuals with a known hypersensitivity to Levonadifloxacin or other quinolone antibacterial, or to any of the excipients, in patients with a history of tendon disorders, in children or growing adolescents (<18 years of age) and during pregnancy and lactation. **SPECIAL WARNING AND PRECAUTIONS FOR USE:** Fluoroquinolones have been associated with an increased risk of tendinitis, tendon rupture, peripheral neuropathy, central nervous system reactions and may exacerbate muscle weakness in persons with myasthenia gravis. In the Phase III clinical study there was no occurrence of these events reported. If these reactions occur in patients receiving EMROK/EMROK O, discontinue immediately and institute appropriate measures. **UNDESIRABLE EFFECT:** In the Phase III study, most adverse events were reported as mild. Adverse events reported were constipation, vomiting, nausea, pyrexia, chills, asthenia, blood glucose increased and cough (Based on prescribing information, dated May 2020).

Additional information is available on request

PATENTED

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Marketing Authorisation Holder: Wockhardt Limited, Wockhardt Towers, Bandra Kurla Complex, Bandra (East), Mumbai 400051

Vakils