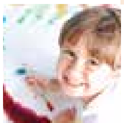
Hope Wins. Life Wins.

Golden 50 years

WOCKHARDT | LIFE WINS

ANNUAL REPORT 2019-2020



Hope springs eternal in the human breast: Man never is, but always to be blest.

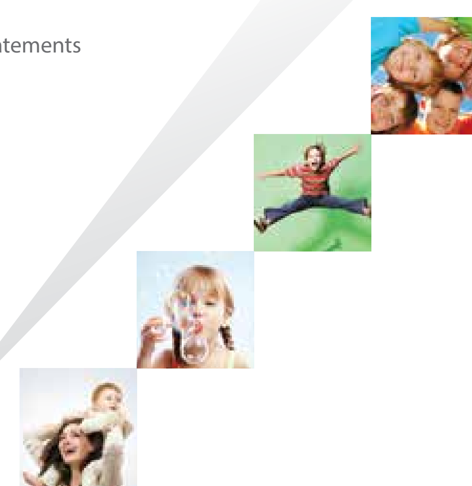
Alexander Pope

Hope. That steady flame of optimism, at times fluttering, but never dying, that gives us the courage to face challenges and the confidence to overcome adversities. Simply put, hope is the universal and secular belief we all hold during difficult circumstances that things will get better.

At Wockhardt, hope is manifest in our indomitable will and never-say-die attitude that galvanises our courage, channelises our efforts and energises our innovative thinking. It is the potent life force that catalyses our fighting spirit as well as our propensity to reach out and provide aid and succour; spread cheer; and give hope; through our business activities, R&D efforts, and social initiatives.

Like the Roman philosopher Cicero said, "While there's life, there's hope." And when Hope Wins, Life Wins.

CONTENTS



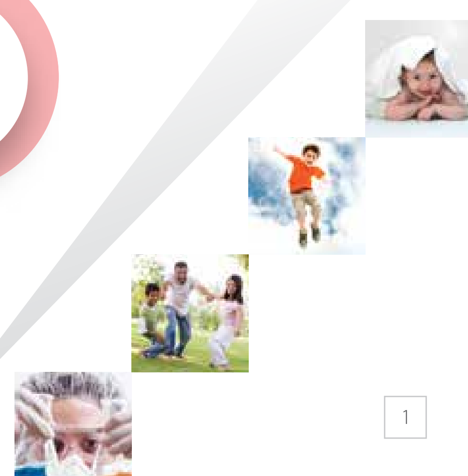
FY 2019-2020 Performance Highlights

Sales
US$ 440 million
₹3,325 crore

Operating Profit (EBITDA)
US$ 32 million
₹245 crore

EBITDA Margin
7%

Profit After Tax
₹(43) crore



CHAIRMAN'S STATEMENT

MY DEAR SHAREOWNERS

I hope that you and your loved ones are safe and coping adequately with the tremendous upheaval in your lives in the wake of the global pandemic caused by COVID-19.

The world woke up to this threat in Q4 of FY 2019-20 and the rapid rise of infections and related deaths worldwide has led to disruption on an unprecedented scale and dimension. While the world is racing to contain the spread, treat the infected, and find a vaccine; the social, psychological and economic fallout of this pandemic is expected to be felt long and wide.

What is driving us through these trying times is hope. It is the hope that things will get better, safer and as near normal as possible.

And thus it was a natural and apt theme to adopt for our Annual Report for FY 2019-20:
Hope Wins. Life Wins.

HOPE-STIRRING PERFORMANCE

I am pleased to announce that our performance has been improving year after year. In the financial year under review, FY 2019-20, our consolidated revenues stood at ₹3,325 crore as compared to ₹4,158 crore in FY 2018-19, and our Profit After Tax (PAT) stood at ₹(43) crore as compared to ₹(217) crore in the previous year. This year our EBITDA (Operating Profit) improved by approximately 81% to ₹245 crore as against a corresponding amount of ₹135 crore in FY 2018-19. For the first time in 3 years, our Q4 results posted a Profit After Tax (PAT) of ₹69 crore as against a loss of ₹14 crore in the corresponding period in FY 2018-19. As on March 31, 2020, our Net Debt stood at ₹2,945 crore as compared to ₹2,926 crore as on March 31, 2019. Currently, Net Debt to Equity Ratio is 0.96 as compared to 0.97 as on March 31, 2019. The above stated figures are inclusive of continuing and discontinued operations of Consolidated Financials.

In FY 2019-20, our international business contributed 73% of total revenues with the EU, US and Emerging Markets businesses accounting for 35%, 22% and 16% of total revenues respectively. Our India business accounted for 27% of total sales.

On the compliance front, I am pleased to report significant progress. During the year we received regulatory approvals from authorities like US FDA for our Clinical division; TMMDA-MOH (Turkey) PICs Certification, EAC-Uganda for Biotech API and formulation; ANSM (France), PMDA (Japan) approvals for our Ankleshwar facility, along with State FDA approvals for all our sites. We expect to shape up and achieve full regulatory compliance at the earliest.

In summation of our performance in the year under review, the increase in operating profit, reduced losses, lowered debt, and other positive developments like a strategic divestment, various approvals for our NCEs, new patents granted, and regulatory approvals for various manufacturing facilities, are ample reasons to be hopeful about the future.

HOPE-KINDLING DIVESTMENT

In Q4 of FY 2019-20, as part of a strategic initiative, we decided to divest a part of our domestic branded business to Dr. Reddy's Laboratories (DRL), comprising of 62 products and related business, assets and liabilities including manufacturing facility at Baddi, Himachal Pradesh, for a consideration of ₹1,850 crore (approximately USD 260 Million). We will continue to own all our international operations, all other manufacturing facilities and R&D centres, here and abroad, as well as a significant part of the domestic branded business constituting chronic and speciality portfolios.

This strategic divestment will help us to shift from acute therapeutic areas to more chronic segments like diabetes and CNS (Central Nervous System), as well as to focus on our niche antibiotic portfolio of NCEs. The sale will also ensure adequate liquidity to aim for robust growth in international operations and investments in Biosimilars for the US market; augment remaining significant domestic branded business and re-focus on the chronic segment with differentiated product portfolio; continue ongoing R&D activities; complete clinical trials of our NCEs with QIDP status from US FDA; and strengthen the balance sheet.

Reason enough to hope for a resurgent performance in the coming years.

HOPE-INSPIRING R&D

I can never tire of reiterating the critical role that our R&D efforts play in our emergence as a global pharmaceutical and biotech company. I am happy to announce that our R&D efforts have led to some spectacular achievements in the fiscal year under review, inspiring hope amongst all stakeholders across the world.

At the very beginning of FY 2019-20, we received approval from US FDA for an ANDA (Abbreviated New Drug Application) for 50 mg injection of Decitabine (a generic version of Dacogen®), the third US FDA approval for our growing portfolio of oncology drugs. Decitabine is used to treat Myelodysplastic syndromes (MDS), a group of cancers in which immature blood cells in the bone marrow do not mature and therefore do not become healthy blood cells.

During the year, Indian drug regulator DCGI had approved two new antibiotics developed by Wockhardt, EMROK® (WCK 771 IV) and EMROK® O (WCK 2349 Oral), for acute bacterial skin and skin structure infections including diabetic foot infections and concurrent bacteraemia, based on the successful outcome of Phase 3 study involving 500 patients recruited in 40 centres across India. We are now the first Indian Company to achieve approval for New Discovered Antibiotics.

Towards the end of FY 2019-20, we received Qualified Infectious Disease Product (QIDP) status from US FDA for WCK 6777, a first ever once-a-day β-lactam enhancer-class antibiotic. Based on our other NCE Zidebactam, WCK 6777 for injection is indicated for treatment of complicated Urinary Tract Infections (cUTI) and complicated Intra-Abdominal Infections (cIAI).

It is a matter of great pride that we are now the only company in the world to hold QIDP status for six antibiotics, three of which target Gram Negative pathogens while the other three target Gram Positive difficult-to-treat 'Superbugs'.

These achievements validate and justify our consistently high investments in R&D year after year, as a percentage of total sales. In FY 2019-20, our R&D spends, including capital expenditure, amounted to 11% of sales at ₹354 crore.

HOPE-INSTILLING CSR

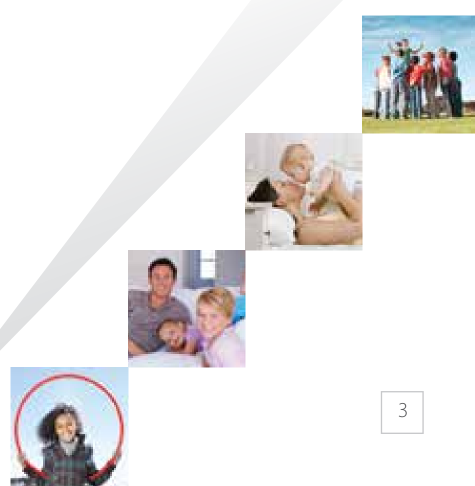
We believe that hope is much more infectious than any disease and all our endeavours under the aegis of Corporate Social Responsibility (CSR) are aimed at spreading hope and cheer amongst the underprivileged sections of society. Towards this end, Wockhardt Foundation, in tandem with Wockhardt Hospitals and many other corporate partners, implements several social programmes like providing mobile medical services to remote rural areas, toy libraries, skill development, e-learning, potable water, sanitation etc. In FY 2019-20, our CSR activities touched millions of lives across various programmes.

When the COVID-19 pandemic forced a lockdown leading to severe disruption, Wockhardt Foundation, supported by several corporate collaborators, swung into action and began the implementation of ANAAJ+. It is a programme to support families living in Mumbai's slums with monthly essentials like grains, pulses, edible oil, soaps etc. The response has been overwhelming with several corporate organisations, students and other individuals, pledging support as 'Corona Warriors'. This 'Fight Corona' initiative has touched over 4,000 families and counting. It is this outpouring of help and support that holds out tremendous hope for humanity and its ability to overcome challenges in times of crisis.

In conclusion, I will reiterate the words of Martin Luther King Jr. who said, "We must accept finite disappointment, but never lose infinite hope." There is enough reason to hope for the better, and that is backed by a focused strategy and a plan of action.

We will overcome!

Dr. Habil Khorakiwala
Founder Chairman



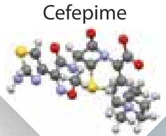
HARBINGERS OF HOPE

The cornerstone of Wockhardt's Research & Development efforts is its novel antibiotics programme that has yielded extremely encouraging results. Today, six of its New Chemical Entities (NCEs) under development have been given Qualified Infectious Disease Product (QIDP) status by US FDA, the only pharmaceutical company in the world to have a strong pipeline of anti-infective drugs at various stages of clinical studies. This is reason enough for hope and optimism in the global war against rising Antimicrobial Resistance (AMR).

Zidebactam

+

Cefepime

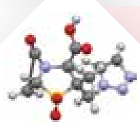


WCK 5222

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 novel MOA-based, high-efficacy destination therapy for XDR pathogens beyond the treatment scope of existing products in the US and Europe.

Status

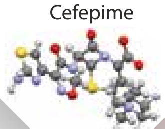
Investigational product manufactured for Phase III trials at FDA-approved contract manufacturing sites in Europe. An abridged Phase III global study protocol has been finalised in consultation with US FDA, European Medicine Agency (EMA) and Chinese regulator, National Medical Products Administration (NMPA). The study is estimated to commence in the second half of 2020.



Tazobactam

+

Cefepime

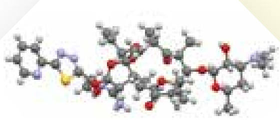


WCK 4282

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

Protocol for Global Phase III complicated Urinary Tract Infection (cUTI) study has been discussed and approved by FDA and EMA. Chinese regulator NMPA also concurred that the product meets an unmet medical need and agreed with the clinical development plan and clinical study protocol. The study is estimated to commence by Q1 2021.



Nafithromycin

WCK 4873

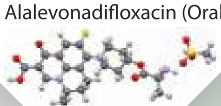
It is a community-use oral respiratory antibiotic for the treatment of Multidrug-resistant pneumonia employing a short treatment regimen of three days. It is also effective against Clindamycin-resistant streptococci, categorised as a concerning threat.

Status

US/EU-conducted Phase II study completed. Obtained Indian regulator DCGI's approval for initiating Phase III study in India for the indication of community-acquired pneumonia. Discussion with ANVISA completed on the study protocol. Phase III study in India and LATAM (Latin American countries) is estimated to commence in the second half of 2020.

Levonadifloxacin (IV)

Alalevonadifloxacin (Oral)

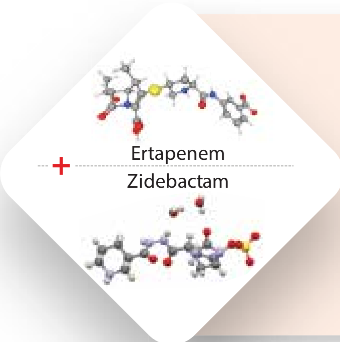


WCK 771 & WCK 2349

WCK 771 is a broad spectrum antibiotic drug against MRSA that could cause pneumonia and blood stream infections. It is also active against MDR pneumococci as well as the VRSA pathogen. WCK 2349 is an oral drug corresponding to WCK 771 with similar pathogen coverage.

Status

Phase III study for the two NCEs has been completed, demonstrating that they are comparable to standard-of-care MRSA drug Linezolid. DCGI approvals have been received for manufacturing and marketing in India, which represents the first ever India-discovered antibiotics. Both the drugs have been approved for Acute Bacterial Skin and Skin Structure Infections (ABSSSI) including diabetic foot infections and concurrent bacteraemia. Both these products would be launched in India in the second half of 2020.



WCK 6777

It is a first-ever, once-a-day β-lactam enhancer class antibiotic based on Zidebactam that overcomes an array of problematic bacterial resistance mechanisms such as metallo-β-lactamases, KPC and OXA carbapenemases. In injection form, it is indicated for treatment of complicated Urinary Tract Infections (cUTI) and complicated Intra-Abdominal Infections (cIAI).

Status

US IND has been accepted and Phase I studies in the US are scheduled to commence by the end of 2020 in the USA.

HOPE IN THE DNA

As a research-based global pharmaceutical company, our infinite hope is driven by a strong conviction and belief in our abilities; our strategic insights into focus areas; our investment in people and technology; and our confidence of achieving desired results.

Our teams of scientists, technicians and other professionals across three R&D centres in India, UK and USA, are engaged in cutting-edge research with a focus on New Chemical Entities (NCEs), Abbreviated New Drug Applications (ANDAs), Biosimilars, Novel Drug Delivery Systems (NDDS) etc.

And the results are gratifying.

We have the distinction of being the only company with six novel antibiotic drugs under various stages of development with QIDP status by US FDA, in the pipeline. We have received US FDA Approval for 3 ANDAs in our portfolio of oncology drugs. Two of our new antibiotics EMROK® (WCK 771 IV) and EMROK® O (WCK 2349 Oral) have been approved by Indian drug regulator DCGI.

We have built a strong base of Intellectual Property (IP) that forms the basis of our optimism with 3,165 cumulative patents filed and 722 cumulative patents granted as on 31 March, 2020.

Dr. Murtaza Khorakiwala
Managing Director

HOPE IN ACTION

At Wockhardt, we have always translated our vision and hope for the future into action: positive, strategic and forward-looking.

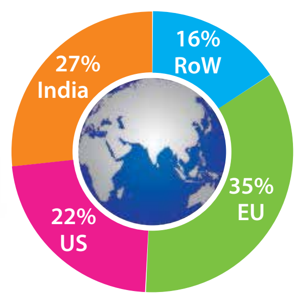
In the year under review, we implemented several initiatives that saw a marked improvement in operational performance and cost rationalisation, as demonstrated in the balance sheet. Our strategic divestment of a part of our assets has ensured adequate liquidity to focus on key areas of high growth, in domestic as well as international markets. There could be no better example of hope in action than our long-standing focus and investments in Research & Development, the results and achievements of which have catapulted us into the big league globally.

Finally, kudos to Team Wockhardt, the 7,000+ professionals across 27 nationalities worldwide, who, by their actions, be it imbibing a culture of efficiency and cost-consciousness; or adapting quickly and efficiently to the lockdown impositions due to the COVID-19 crisis; have strengthened our hopes of emerging stronger and better in the future.

SALES REVENUE

73%

From International Business



OUR EUROPEAN EDGE

Amongst Top 3 Indian Generic companies in UK

5th largest (by volume & by value) generic supplier in Retail (6% volume, 6% value) and in Hospital channel (16% volume, 8% value) respectively, in Ireland

Amongst Top 5 generic companies in Ireland

OUR INDIA EDGE

2 Brands Amongst Top 300 brands of IPM (BroZedex & Methycobal)

4th Position in Cough Preparations

11th Position in Vaccines

OVER 117.87 MILLION TIMES LIVES TOUCHED IN FY 2019-20

Mobile 1000
246 Vans Till Date (51.39 Lakh Patients Checked in FY 2019-20)

Pronto Bio-Toilet
451 Pronto Bio-Toilets Till Date

E-Learning
404 Schools Till Date (2.02 Lakh Children Benefitted in FY 2019-20)

Khel Khel Mein
17 Toy Libraries Till Date
(651 Children Benefitted in FY 2019-20)

Wockhardt + Health Centres
4,137 Patients Benefitted in FY 2019-20

Wockhardt Skills Development Institute
32 Centres
(2,400 Students Trained in FY 2019-20)

Little Hearts
232 Congenital Heart Surgeries in FY 2019-20

Shudhu Water Purification Tablets
12.75 Lakh Tablets Distributed in FY 2019-20

Pronto Toilet
4,704 Toilets Till Date

Zab
2500 Desks + School Bags Distributed in FY 2019-20 (4552 Bags Till Date)

ANAAJ +
4,318 Grocery Kits Distributed
21,590 People Benefitted

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

FIGHTING FOR HOPE

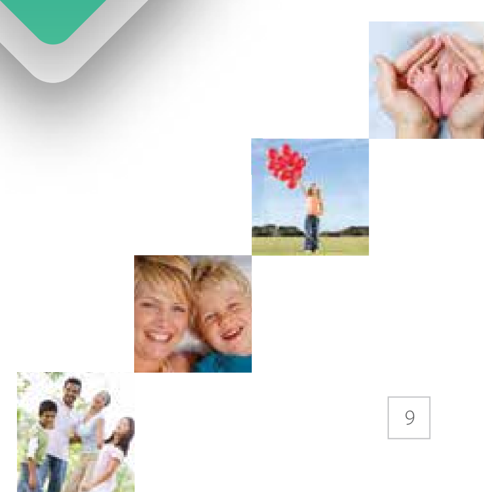
Governed by a simple philosophy "where every smile counts", Wockhardt Foundation, in association with Wockhardt Hospitals and a spectrum of corporate partners, implements several programmes spanning healthcare, hygiene, e-learning, and skill development, touching millions of lives round the year. Our flagship programme, Mobile 1000, deploys 246 Mobile Medical Units to rural and remote areas of the country, delivering free primary healthcare services to the underprivileged.

The COVID-19 crisis unraveling through the last quarter of FY 2019-20 has infected millions and caused thousands of deaths worldwide. In India, a strictly enforced and extended lockdown imposed to curb the spread of the virus, has resulted in large scale disruption of lives with panic and paranoia leading affected people to lose hope.

To counter this, Wockhardt Foundation launched a 'Fight-Corona' campaign to create an army of volunteers as 'Corona Warriors' who will fight to restore the hopes of desperate and destitute families in Mumbai's slums affected by the loss of livelihoods and lack of essentials. The 'Corona Warriors', consisting of organisations, individuals and students, spread awareness, contribute, and raise funds, to support underprivileged families with a monthly supply of essentials under a scheme named ANAAJ+.

It is indeed heartening to see the number of 'Warriors' fighting to keep alive the hopes of over 4000 needy families adopted and supported by them in the slums of Mumbai.

WOCKHARDT FOUNDATION PROGRAMME EXECUTION POLICY




JCI Accreditation U.S.A

Ms. Zahabiya Khorakiwala
Managing Director, Wockhardt Hospitals*
Non-Executive Director, Wockhardt Limited

BEACONS OF HOPE

Wockhardt Hospitals, a chain of 6 super-speciality hospitals across Maharashtra and Gujarat, has been at the forefront of clinical excellence with world-class healthcare services and cutting-edge research in the regenerative medicine space, focused on Stem Cells and Growth Factor Concentrate (GFC) Therapy in Hair Regrowth, Aesthetics, Orthopedics and Chronic Wound Healing.

In the fourth quarter of FY 2019-20, as the COVID-19 virus spread across India, Maharashtra, and especially Mumbai, became the most affected regions. These unprecedented times brought on by the COVID-19 pandemic required extraordinary action, and Wockhardt Hospitals stepped up to meet the challenge. Four of our hospitals, namely The New Age Wockhardt Hospital, Mumbai Central; Wockhardt Super Speciality Hospital, Mira Road; Wockhardt Super Speciality Hospital, Nagpur; and Wockhardt Super Speciality Hospital, Nashik; have emerged as COVID-19 hospitals with requisite infrastructure and special isolation wards and ICUs. Wockhardt Hospitals has ensured that the clinical teams of these four hospitals are empowered with essential training, knowledge and SOPs to effectively deal with this crisis.

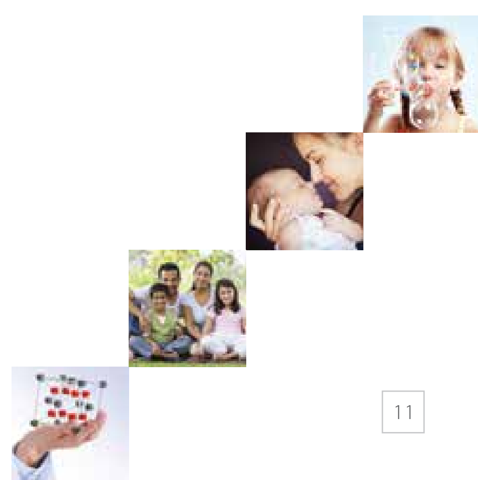
Given the gravity of the pandemic situation in Mumbai, we have transformed The New Age Wockhardt Hospital, Mumbai Central, into a dedicated COVID-19 hospital in order to treat a large number of coronavirus infected patients efficiently. It is noteworthy that in the first 50 days, The New Age Wockhardt Hospital, Mumbai Central, has treated 575 critical COVID-19 patients with a mortality rate of 4.5%. Remarkably, the hospital has started clinical trials for Convalescent Plasma Therapy to treat COVID-19 patients after receiving the nod from the Drug Controller General of India (DCGI).

As this global public health crisis continues to reshape all aspects of our lives, Wockhardt Hospitals' priorities remain steadfast as beacons of hope. We are focused on the health and safety of our front-line healthcare workers, their loved ones and the local communities that we serve.

155,995
CARDIAC PROCEDURES
Angiographies, Angioplasties, Bypass, Open heart & Cardiac valve surgeries for adult & paediatric patients

26,937
ORTHOPAEDIC PROCEDURES
Knee & hip replacements, Poly-trauma surgeries, Complex fracture surgeries...

260,481
SURGICAL PROCEDURES
Organ transplants, Complex brain surgeries, Endoscopic spine surgeries...



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

BOARD OF DIRECTORS

Dr. HABIL KHORAKIWALA
Founder Chairman

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 & 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 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 & Technology, Patiala, and holds a Master's degree in Management (Gold Medallist) from Faculty of Management Studies, University of Delhi.

Mr. Brar has been associated with the Pharmaceutical Industry for over three decades and his major stint was at Ranbaxy Laboratories, where he rose to become the CEO & Managing Director in the year 1999. Mr. Brar stepped down from this position in 2004 to start his entrepreneurial journey and founded GVK Biosciences Pvt. Ltd., a leading Contract Research & Development Organisation, and later, Excelra Knowledge Solutions Pvt. Ltd., an Informatics/Analytics Company. He is currently the Chairman of both of these Companies. Mr. Brar has also served as a Director of RBI, member on the Board of National Institute of Pharmaceutical Education & Research, member of the Board of Governors of IIM, Lucknow, Chairman of Indian MNC Council of CII, and member of FICCI. Mr. Brar serves on the Boards of Mphasis Limited; Essel Propack Limited (as Chairman of the Board); and Maruti Suzuki India Limited; and acts as an Advisor to start-ups funded by Private Equity and Venture funds.

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 and recently named as Distinguished Fellow of the Institute for Defence Studies and Analysis, New Delhi.

In the past, Dr. Sanjaya Baru was the official spokesman and media advisor to the Prime Minister of India and has also served as 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.

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, which is in its 8th year. 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. BALDEV RAJ ARORA
Independent Director

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

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

Mr. VINESH KUMAR JAIRATH
Independent Director

Mr. Vinesh Kumar Jairath has been a Director on the Board of Wockhardt since November 2016. Mr. Jairath joined the Indian Administrative Service in 1982 and served in various important positions in 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 at Government of Maharashtra until 2008. He has over 25 years of experience in public administration, rural development, poverty alleviation, infrastructure planning and development and infrastructure financing, finance, industry, urban development, and environmental management, while occupying important positions in Government.

Mrs. RIMA MARPHATIA

Nominee Director

Mrs. Rima Marphatia, Chief General Manager, Export-Import Bank of India, is responsible for the bank's Corporate Banking Group. She joined Exim Bank in 1990 after completing her post-graduation studies 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 benefited 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 & 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 more than 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).

Ms. ZAHABIYA KHORAKIWALA

Non-Executive Director

Ms. Zahabiya Khorakiwala is the Managing Director of Wockhardt Hospitals Ltd. 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.

Ms. Khorakiwala has also set up Wockhardt Global School, a state-of-the-art K-12 school with International Baccalaureate & CBSE programmes in Aurangabad.

BOARD'S REPORT

Dear Members,

The Board of Directors are delighted to present the Twenty First Annual Report of the Company along with the Audited Financial Statements for the year ended 31st March, 2020.

FINANCIAL RESULTS AND HIGHLIGHTS

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Consolidated		
Total Revenue from Continuing operations	**2,844**	3,566
Profit Before Depreciation, Finance Cost & Tax from Continuing operations	**158**	(17)
Profit / (Loss) Before Tax from Continuing operations	**(342)**	(447)
Tax expense – Credit / (charge) of Continuing operations	**204**	135
Profit / (Loss) After Tax before other Comprehensive Income from Continuing operations	**(138)**	(312)
Discontinued Operations		
Profit / (Loss) from discontinued operation before tax	**145**	146
Tax expense of discontinued operations – (charge) / credit	**(50)**	(51)
Profit / (Loss) from discontinued operations	**95**	95
Profit / (Loss) for the year	**(43)**	(217)
Total Comprehensive Income	**57**	(208)
Standalone		
Total Revenue from Continuing operations	**933**	1,588
Profit Before Depreciation, Finance Cost & Tax from Continuing operations	**(90)**	(31)
Profit / (Loss) Before Tax from Continuing operations	**(484)**	(322)
Tax expense - Credit / (charge) of Continuing operations	**158**	145
Profit / (Loss) After Tax before other Comprehensive Income from Continuing operations	**(326)**	(177)
Discontinued Operations		
Profit / (Loss) from discontinued operation before tax	**145**	146
Tax expense of discontinued operations – (charge) / credit	**(50)**	(51)
Profit / (Loss) from discontinued operations	**95**	95
Profit / (Loss) for the year	**(231)**	(82)
Total Comprehensive Income	**(227)**	(83)

The consolidated total revenue for the financial year ended 31st March, 2020 stood at ₹ 3,325 crore as compared to ₹ 4,158 crore of previous year. Earnings before interest, tax, depreciation and amortization (EBITDA), for the year ended 31st March, 2020, are ₹ 245 crore vis-à-vis ₹ 135 crore during previous year. The total Comprehensive income for the year stood at ₹ 57 crore vis-à-vis total Comprehensive loss of ₹ 208 crore of previous year. The above figures include discontinued operation figures.

On Standalone basis, the Company registered total revenue of ₹ 1,414 crore as compared to ₹ 2,181 crore during previous year and total Comprehensive Income for the year stood at ₹ (227) crore vis-à-vis ₹ (83) crore of previous year. The above figures include discontinued operation figures.

STATE OF COMPANY'S AFFAIRS

Your Company's strategic focus continues to be on Research and Development ('R&D'). With New Chemical Entity ('NCE') WCK 6777 of your Company getting Qualified Infectious Disease Product[1] ('QIDP') designation from the United States Food and Drug Administration ('USFDA'), Wockhardt became the only Company in the world to hold QIDP Status for six antibiotics, 3 of them are targeting Gram Negative pathogens and the other 3 are effective against Gram positive difficult-to-treat "Superbugs". R&D in pharmaceutical business not only have long gestation period but demands heavy investments; and your Company, year-on-years, continues invest substantial part of topline on R&D. During the year, R&D expenses stood at ₹ 208 crore (6.26% of consolidated revenue) vis-à-vis. ₹ 291 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 33 patents out of which 28 patents were granted. Accordingly, the Company as on 31st March, 2020, cumulatively filed 3,165 patents and holds 722 patents worldwide.

During the year under review:

- US FDA carried out inspection of Bioequivalence Centre located at R&D Centre, Aurangabad during which Bioequivalence studies of Tamsulosin 0.4mg capsules and Metoprolol Tartrate 200mg ER tablets were audited. At the end of inspection, there was Nil observation (i.e. zero 483 observation), signifying that best practices were followed, in compliance to applicable regulations.
- US FDA accorded approvals for three ANDAs from third party approved manufacturing facility through site transfer submission of Wockhardt's ANDAs.
- US FDA accorded approval for an ANDA for 50mg injection of Decitabine, which is used to treat certain forms of cancer.
- Indian drug regulator, DCGI approved Wockhardt's 2 new antibiotics, EMROK (IV) and EMROK O (Oral), for acute bacterial skin and skin structure Infections including diabetic foot infections and concurrent bacteraemia based on the Phase 3 study involving 500 patients in 40 centres across India. The new drug will target superbug like Methicillin resistant Staphylococcus aureus (MRSA), which is a leading cause of rising antimicrobial resistance (AMR). By virtue of its broad spectrum activity against widely prevalent pathogens including MRSA, superior safety over the currently available anti-MRSA agents and its unique properties, your Company believe EMROK / EMROK-O has a strong potential to effectively address the unmet medical need of the clinicians in the country thereby helping to reduce the morbidity and mortality.
- Wockhardt's NCE WCK 6777, a first ever once-a-day β-lactam enhancer class antibiotic, has been granted QIDP status by US FDA. WCK 6777 is a once-a-day combination antibiotic based on Wockhardt's NCE Zidebactam, which imparts WCK 6777 novel mechanism of β-lactam enhancer. Driven by the enhancer action, WCK 6777 overcomes an array of problematic bacterial resistance mechanisms such as metallo-β-lactamases, KPC and OXA carbapenemases. Further, Zidebactam has the unique ability to overpower other tough resistance mechanisms such as reduced drug uptake and drug efflux encountered in contemporary multidrug (MDR) resistant Gram negative pathogens. WCK 6777 for injection has been awarded QIDP for the treatments of complicated urinary tract infections, including pyelonephritis (cUTI); and complicated intra-abdominal infections (cIAI) indication.

The dual coveted objectives attained by this drug are the prevention of hospitalization and the facilitation of early discharge of hospitalized patients.

Your Company, during the year also, 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. Nonetheless, ongoing expenditures on remedial measures (for US FDA related matter) continued to impact the profitability of the Company.

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 is estimated to commence in second half of 2020. Investigational product manufactured for phase III trials at FDA approved contract manufacturing sites in Europe.

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

WCK 4282: Protocol for Global Phase III complicated urinary tract infection (cUTI) study has been discussed and approved by FDA and EMA. Chinese NMPA concurred that product meets unmet medical need and agreed with the clinical development plan and clinical study protocol. The study is estimated to commence by Q1 2021.

WCK 4873: Obtained Indian regulator DCGI's approval for initiating Phase 3 study in India for the indication of community acquired pneumonia. Discussion with ANVISA completed on the study protocol. Similar approval is being sought from Mexico. Phase III study in India and LATAM is estimated to commence in second half of 2020.

WCK 771 & WCK 2349: Phase 3 study was completed for both WCK 771 (IV) and WCK 2349 (Oral). The study demonstrated that both the NCEs are comparable to standard of care MRSA drug Linezolid. DCGI approvals have been received for manufacturing and marketing in India for both WCK 771 & WCK 2349 which represents the first ever India discovered antibiotics receiving approval. Both the drugs have been approved for Acute Bacterial Skin and Skin Structure Infections (ABSSSI) including diabetic foot infections and concurrent bacteraemia.

WCK 6777: US FDA has accepted WCK 6777 US IND application. Phase I studies scheduled to commence by end of 2020 in USA. Wockhardt planned for the global development of WCK 6777 covering important markets of the US, Europe, China and India.

All the above NCEs have distinction of QIDP status by US FDA.

During the year, the following approvals post successful audits were received from various authorities:

- TMMDA- MOH (Turkey) PICs Certification, EAC-Uganda, GMP Renewal , State FDA & WHO (GMP) approval for Biotech API and formulation.
- ANSM France, PMDA Japan, State FDA & WHO (GMP), approvals for Ankleshwar facility.
- State FDA and WHO (GMP) approval for Biotech H14/2 OSD facility.
- State FDA & WHO (GMP) approval for Baddi facility.

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

COVID-19 PANDEMIC RESPONSE

COVID-19 pandemic has impacted Global Economy and Human Lives in an unprecedented manner. The number of cases of COVID-19 is rising every day. While Governments and Administrations around the world are grappling with how to respond, businesses can not avoid its moral responsibilities of supporting the health and well-being of Employees & Society at large and need to focus on initiatives to help "flatten the curve". None of us can predict the true impact of the pandemic on the global economy, but at this pivotal moment, there are clear choices to be made. At this time, as there is no off-the shelf guidelines for the current situation, it will be critical to initiate pragmatic steps for an organization's ability to emerge from the current crisis and push forward into a new era of economic recovery and opportunity for the benefit of all stakeholders.

Your Company has taken prudent measures for "work from home", institutionalising health safety measures across all offices, manufacturing & distribution facilities in accordance with the local administrative guidelines apart from creating core Covid 19 team to routinely review, assess and respond to evolving scenarios in business, manufacturing, supply chain, HR and Finance.

SALE OF BUSINESS UNDERTAKING

The Board of Directors of your Company in their meeting held on 12th February, 2020 approved the transfer of business comprising 62 products and line extensions along with related business 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 manufacturing facility in Baddi, Himachal Pradesh, India, where some of the above pharmaceutical products which are being transferred are manufactured ('Business Undertaking'); by way of a slump sale to Dr. Reddy's Laboratories Limited as per the terms and conditions specified in the Business Transfer Agreement ('BTA') for a consideration of INR 1,850 crore.

The Business Undertaking being transferred reported revenue from operation ~INR 481 crore which is ~15% of the consolidated revenue for Financial Year ended 31st March, 2020. The proposed divestment is ~3.8 times of annualized revenue of the business being transferred.

The intended sale of Business is in line with the Company's strategic plan to shift from acute therapeutic areas to more chronic business like anti-diabetes, CNS etc. and also to its niche antibiotic portfolio of NCEs. The divestment will additionally ensure adequate liquidity to bring in robust growth in the chronic domestic branded business, international operations, investments in Biosimilars for the US market apart from the Company's Global clinical trials of Break-through Anti-Infectives (NCEs approved under coveted QIDP program of United States Food & Drug Administration) and R&D activities.

The sale of Business will enable Wockhardt to:

- Have adequate liquidity for robust growth in international operations and investments in Biosimilars for the US market;
- Augment remaining significant Domestic Branded Business portfolio of the Company and re-focus towards chronic segment with differentiated product portfolio;
- Continue its ongoing research and development activities;
- Necessary action for completion of clinical trials of the Company's breakthrough NCEs in the anti-infective space, duly approved by coveted QIDP Program of US FDA; and
- Strengthen the balance sheet.

Post above sale, Wockhardt continues to own:

- All international operations in UK, USA, Ireland and other locations through its step down subsidiaries.
- Formulation plants located at Waluj, Shendra and Chikalthana in Aurangabad, Bhimpore and Kadaiya in Daman; bulk drugs plant at Ankleshwar, India and manufacturing facilities at all existing international locations.
- Research & Development centers located at Chikalthana, Aurangabad, India and existing facilities in the international locations.
- Significant part of Domestic Branded Business constituting Chronic & Speciality portfolios.

The transaction is expected to be completed during Q1 of FY 2020-21.

CREDIT RATING

During the year 2019-20, CARE Ratings Limited ('CARE Ratings') has revised the Company's Rating for Long-Term Bank Facilities (Fund Based) as "CARE BB+; (Under credit watch with positive implications)" from "CARE BBB-; Negative [Triple B Minus; Outlook: Negative]"; and for Short Term Bank Facilities (Non Fund Based) as "CARE A4+; (Under credit watch with positive implications)" from "CARE A3 [A Three]".

CARE Ratings has also revised rating for the proposed issue of NCDs for an amount of ₹ 500 crore of the Company as "CARE BB+; (Under credit watch with positive implications)" from "CARE BBB-; Negative [Triple B Minus; Outlook: Negative]".

Further, India Rating & Research Private Limited has also revised the Company's ratings for short-term Bank facilities to "IND A4+ / RWE" from "IND A3" and for long-term loan facilities rating "IND BB+/ RWE" from "IND BBB-/ outlook: Negative".

DIVIDEND AND RESERVES

The Board of Directors of your Company, due to inadequate profit, does not recommend any dividend on the equity and preference shares of the Company for the year ended 31st March, 2020; 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

Pursuant to the allotment of 48,800 equity shares of ₹ 5 each against exercise of stock options granted under Wockhardt Employees' Stock Option Scheme – 2011 ('the Scheme'), the paid-up equity share capital of the Company increased from ₹ 55,34,31,015 to ₹ 55,36,75,015 during the year under review.

During the year 2019-20, the Company has extended the date of redemption of 16,00,00,000 Nos. of 0.01% Non-Convertible Cumulative Redeemable Preference Shares ('NCRPS Series 5') for a period of 1 year i.e. from 31st March, 2020 to 31st March, 2021 at a redemption premium of 8% p.a. on the redemption value of said Preference Shares as on 31st March, 2020. Redemption value of said Preference Shares, as on 31st March, 2020, stands ₹ 99.84 crore. During this period of 1 year, both the Company and NCRPS Series 5 holder shall have the right of early redemption by giving one month notice. In such case, redemption premium would be charged for the period commencing 1st April, 2020 till the actual date of redemption of the said Preference Shares.

As on 31st March, 2020, the total paid up share Capital of the Company comprises of:

i. 110,735,003 Equity Shares of Face value of ₹ 5/ each.

ii. 50,00,00,000 Nos. of 4% Non-Convertible Non-Cumulative Redeemable Preference Shares ('NCCRPS') of Face Value of ₹ 5/- each.

iii. 16,00,00,000 Nos. of 0.01% Non-Convertible Cumulative Redeemable Preference Shares ('NCRPS Series 5') of Face Value of ₹ 5/- each.

There were no issue of equity shares with differential voting rights and sweat equity shares during the year 2019-20. 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, all the Independent Directors have furnished Declaration of Independence stating that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 ('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 161 and other applicable provisions of the Act, Ms. Rima Marphatia (DIN: 00444343), Chief General Manager of Export-Import Bank of India ('EXIM'), has been appointed as a Nominee Director on the Board of the Company effective 6th May, 2019. In accordance with the provision of Section 178 and other applicable provisions of the Act and SEBI Listing Regulations, if any, the Nomination and Remuneration Committee has considered and recommended the above appointments to the Board of Directors of the Company.
- Section 152 of the Act, Ms. Zahabiya Khorakiwala (DIN: 00102689), Non-Executive Director retires by rotation as Director at the ensuing AGM and being eligible, offers herself for re-appointment. The Board recommends her re-appointment.

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. Manas Datta, Chief Financial Officer and Mr. Narendra Singh, Company Secretary & Compliance Officer are the Key Managerial Personnel ('KMP') of your Company.

Mr. Narendra Singh has resigned from the position of Company Secretary and Compliance Officer of the Company with effect from closure of the working hours on 11th May, 2020 and Mr. Gajanand Sahu has been appointed as the Company Secretary and Compliance Officer (Acting) of your Company w.e.f. 12th May, 2020.

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 2019-20, the meetings of the Board of Directors and Audit Committee were held 5 (five) times each. Details of these meetings and other Committees of the Board / General Meeting / Postal Ballot are given in the Report on Corporate Governance forming part of this Annual Report.

AUDIT COMMITTEE

As on 31st March, 2020, the Audit Committee comprises of Mr. Aman Mehta, Chairman, Mr. Davinder Singh Brar, Dr. Sanjaya Baru, Ms. Tasneem Mehta, Mr. Baldev Raj Arora and Mr. Vinesh Kumar Jairath as its Members.

All the Members of the Committee are Independent Directors and recommendations made by the Audit Committee were accepted by the Board of Directors of the Company. Further, the Committee has carried out the role assigned to it. Other details about the Audit Committee and other Committees of the Board are provided in the Report on Corporate Governance forming part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

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

(a) in the preparation of Annual Accounts for the year ended 31st March, 2020, 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, 2020 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, 2020;

(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, 2020 have been prepared on a going concern basis;

(e) the internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and operating effectively; and

(f) proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems are adequate and operating effectively.

STATUTORY AUDITORS AND AUDITORS' REPORT

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 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 and 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 Cost Auditors to conduct the cost audit of the Company for the financial year 2020-21. 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, 2021 needs to be ratified by the Members of the Company and resolution for the said ratification is placed for approval of Members of the Company at the ensuing AGM.

The Cost Auditors' Report for the financial year ended 31st March, 2019 did 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 has appointed Mr. Virendra Bhatt, Practising Company Secretary as Secretarial Auditors to conduct Secretarial Audit of the Company for the year ended 31st March, 2020. The Secretarial Audit Report issued by Mr. Virendra Bhatt does not contain any qualification, reservation and 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.

ANNUAL RETURN

Pursuant to the provision of Section 92 of the Companies Act, 2013, an extract of the Annual Return is annexed as Annexure II to this report.

EMPLOYEE STOCK OPTIONS

Pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014 and other applicable laws, if any, the required disclosures as on 31st March, 2020 are annexed as Annexure III to this Report.

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to 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 2019-20. However, as a continuing corporate governance practice, the Company contributed ₹ 0.56 crore to Wockhardt Foundation, CSR arm of the Company, for spending on CSR activities which has undertaken CSR projects 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 IV 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 is made pursuant to the recommendation of Nomination and Remuneration Committee ('NRC'). The remuneration of Executive Directors comprises of Basic Salary, Perquisites & Allowances and follows applicable requirements as prescribed under the Companies Act, 2013. Approval of shareholders for payment of remuneration to Whole-time Directors is sought, from time to time.

The remuneration of Non-Executive Directors comprises of sitting fees & commission, if any, in accordance with the provisions of Companies Act, 2013; and reimbursement of expenses incurred in connection with attending the Board meetings, Committee meetings, General meetings and in relation to the business of the Company. 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 available on the website of the Company and the weblink thereto is http://www.wockhardt.com/pdfs/wl-remuneration-policy.pdf

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

PERFORMANCE EVALUATION OF DIRECTORS

The Nomination and Remuneration Committee of the Board of Directors of the Company have laid down criteria for performance evaluation of the Board of Directors including Independent Directors. Pursuant to the requirement of the Companies Act, 2013, the SEBI Listing Regulations and 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

As on 31st March, 2020, Risk Management Committee comprises of Dr. H. F. Khorakiwala, Chairman, Mr. Davinder Singh Brar, Independent Director, Dr. Murtaza Khorakiwala, Managing Director and Mr. Manas Datta, Chief Financial Officer as its members.

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.

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 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 regularly undertakes green initiatives to preserve environment, which not only reduce burden on environment but also ensure secured dissemination of information. Such initiatives includes energy saving, water conservation and usage of electronic mode in internal processes & control, statutory and other requirement. 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 regulatory requirement, 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/policy-on-material-subsidiaries-17-12-2515.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/policy-on-rpt-01-4-19.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
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

In accordance with the approval of the Shareholders' sought by way of Postal Ballot on 15th March, 2018 under Section 186 of the Companies Act, 2013, the Company can give loans, guarantees and/or provide security(ies) and/or make investments upto ₹ 6,000 crore. The particulars of loans, investments and guarantees are provided under Note 35 and Note 6 in the Notes to the Standalone Financial Statements.

PARTICULARS OF CONTRACTS/ ARRANGEMENTS WITH RELATED PARTIES

During the financial year 2019-20, 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 with its Key Managerial Personnel. The details of related party transaction are provided under Note 42 in the Notes to the Standalone Financial Statements.

The particulars of contracts/arrangements with related parties in Form AOC-2 are provided in Annexure V to this Report.

VIGIL MECHANISM

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

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 term of remuneration drawn forms part of this Report. Pursuant to the provisions of Section 136(1) of the Companies Act, 2013, the Board's Report is being sent to the Shareholders of the Company excluding the said statement. Any shareholder interested in inspection or obtaining a copy of the statement may write to the Company Secretary and the same will be furnished on request.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is provided in Annexure VII to this Report.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANY

As on 31st March, 2020, the Company has total 32 Subsidiaries. However, during the year under review, the Company does not have any joint venture or associate company.

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

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 VIII to this Report.

CONSOLIDATED FINANCIAL STATEMENT

The Consolidated Financial Statement of your Company for the financial year 2019-20 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) shall 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 Fixed 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, 2020.

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 endeavour 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 & Corporate Office during the year under review. During the year 2019-20, the company has not received any Complaints in the matter.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURT

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

Writ Petition filed against Notification No. S.O. 4379(E) dt 07.09.2018 ("Impugned Notification") Aceclofenac + Paracetamol + Rabeprazol on 14th September, 2018. The judgement is passed by Hon'ble High Court, Delhi with a view that the impugned notification cannot be sustained. The same is set aside. The matter is remanded to DTAB / Sub-committee constituted by it to examine the issue regarding the said FDC in accordance with the directions issued by the Hon'ble Supreme Court in Pfizer Ltd. (supra). The DTAB / Sub-committee shall submit a report to the Central Government. The Central Government may take an informed decision whether to restrict or approve the said FDC. No decision is taken by Central Government in the matter so far.

The Company has earlier filed the caveat before Hon'ble Supreme Court and the Union of India (UoI) has filed a Special Leave Petition (SLP) in Supreme Court of India against the Judgment passed by the Delhi High Court, quashing the notification issued by the UoI wherein it stipulated the prohibition of the manufacture, sale and distribution of certain FDCs being manufactured by the Company. The Hon'ble Supreme Court has after hearing the parties dismissed the SLP filed by UoI on 14th October, 2019.

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 wishes to place on records its sincere appreciation and acknowledge the dedication & 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 unrelenting support during the year under review.

For and on behalf of the Board of Directors

Dr. H. F. KHORAKIWALA
Chairman
DIN: 00045608

Place : Mumbai
Date : 11th May, 2020

MANAGEMENT DISCUSSION & ANALYSIS

Global Arena

Globally, growth has been muted owing to slowdown in consumptions, trade & investment and probably was the lowest since the global financial crisis. This weakness was widespread, affecting both advanced economies—particularly the Euro Zone and also emerging market and developing economies. In particular, global trade in goods was in contraction for a significant part of 2019, and manufacturing activity slowed markedly over the course of the year. Most of the year was dominated by heightened policy uncertainty and trade disputes between the two largest economies which weighed on international trade, investments and confidence. Concerns about growth prospects triggered widespread monetary policy easing by major central banks last year, as well as flight to safety flows into advanced-economy bond markets. The subdued outlook also led to declines in most of the commodity prices. In the near term, monetary policy across the world is generally expected to remain accommodative.

The first quarter of 2020 saw an unprecedented outbreak of COVID-19 pandemic which caused an all-round disruption of economies around the world and dampened the already bleak economic prospects. It has proved to be one of the most damaging event of human history and believed to have deep and cascading impact across the entire economic chain. To add to the global woes the crude oil prices sunk to its lowest level ever which has been known in decades indicating slow down across the industries and economies. The intense and deep rooted damage caused by the above two events is reflected in the IMF outlook of 2020 (Fig below) which sees most of the major economies ending this year with negative output.

Economies	2019	2020	2021
World Output	**2.9**	**(3.0)**	**5.8**
Advanced/Developed	**1.7**	**(6.1)**	**4.5**
o/w US	2.3	(5.9)	4.7
o/w EU	1.2	(7.5)	4.7
o/w UK	1.4	(6.5)	4.0
EM,s/Developing	**3.7**	**(1.0)**	**6.6**
o/w China	6.1	1.2	9.2
o/w India	4.2	1.9	7.4

Source : IMF, World Economic Outlook, April 2020

Company Performance

(In below entire Management Discussion & Analysis, figures, ratios and percentage are inclusive of continuing and discontinued operations of Consolidated financials)

The Company's International businesses continues to be under pressure because of channel consolidation which has put pricing pressure on one hand while more and more generic players continue to be contributor to the competition. On the Domestic business front there was de-growth but mostly within the low margin generics segment and secondly as result of outcome of portfolio re-shuffling within the branded formulations business. Striking an appropriate balance within debt servicing obligations and ensuring that flow of working capital continued in the businesses remained the key challenge during most of the year which was another factor responsible for de-growth of businesses. Another important step amidst the above challenges were to rationalize the overall business portfolio and move towards ensuring robust operational cost optimization which is reflected positively in the financials.

With the tightening of monetary condition across the globe and amidst industry and Business slowdown, managing liquidity 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.

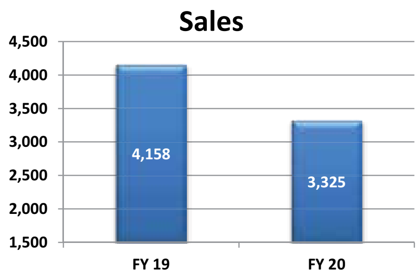
FY 2019-20 witnessed one of the most strategic event executed on the India Branded Business front in the form of part divestment of its Domestic Branded Business to Dr Reddys laboratories comprising of 62 Brands and related Business assets, liabilities along with the manufacturing plant at Baddi, Himachal Pradesh, India. The intended sale of Business portfolio is in line with the Company's strategic plan to shift from acute therapeutic areas to more chronic business like anti-diabetes, CNS etc. and also to its niche antibiotic portfolio of NCEs. The divestment will also ensure adequate liquidity to bring in robust growth in the chronic domestic branded business, international operations, investments in Biosimilars for the US market apart from the Company's Global clinical trials of Break-through Anti-Infectives.

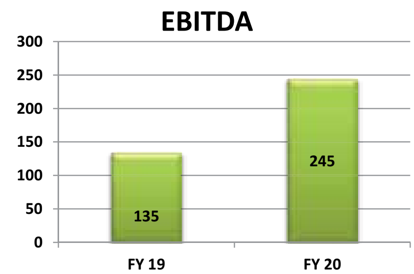
Also, during the year, in another major path breaking development and aligning with the company's vision to strengthen its NCE presence amongst extremely limited world players, the Indian drug regulator, DCGI has approved Wockhardt's 2 new antibiotics, EMROK (IV) and EMROK O (Oral), for acute bacterial skin and skin structure Infections including diabetic foot infections and concurrent bacteraemia based on the Phase 3 study involving 500 patients in 40 centres across India. The new drug will target superbug like Methicillin resistant Staphylococcus aureus (MRSA), which is a leading cause of rising antimicrobial resistance (AMR).

Further, expansion of businesses in newer horizon's continues to be on the radar with top priority to remediation efforts for obtaining US FDA clearance. Company's focus on cost containment and rationalisation continues delivering its intended positive impact on profitability in spite of ongoing remedial measures.

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 about 6.3% of consolidated revenue.

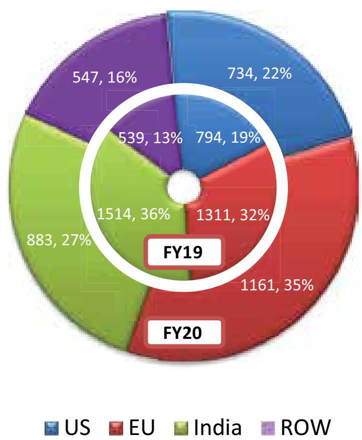
₹ in Crore





REVENUES

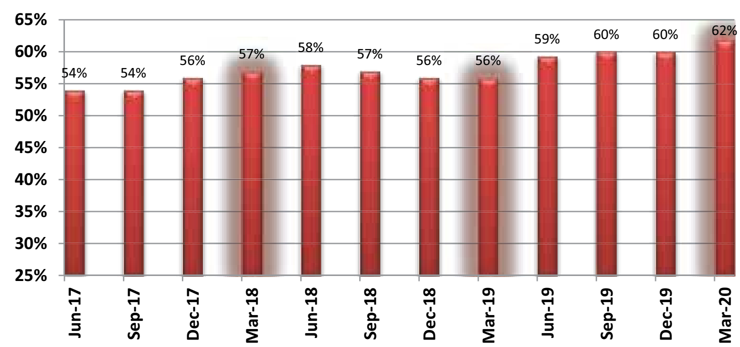
Revenue from Operations during the year was Rs. 3,325 crore compared to Rs. 4,158 crore in the previous year with a decrease of 20%.

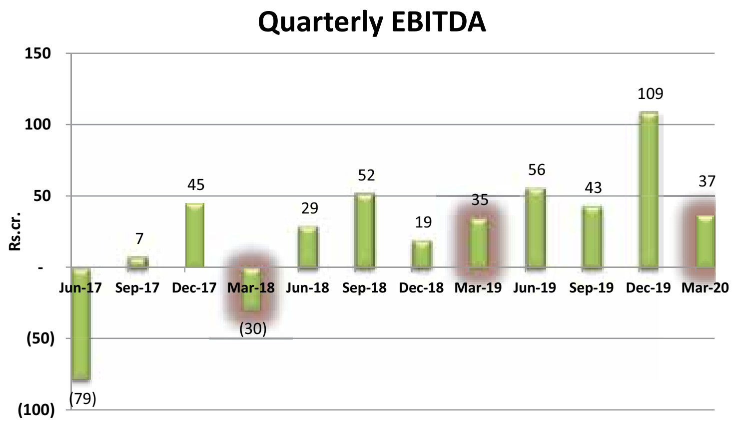


The revenue split of US operations stood at 22% (compared to 19% as in FY 2019) while European Business contributed 35% (compared to 32% in FY 2019). India and Rest of the World De-grew YoY but still contributed a robust 43% (compared to 49% in FY 2019).

PROFITABILITY

The Gross Margins have improved in all the quarters ranging from 59% in Q1 to 60% in Q2/Q3 and then 62% in Q4. This is significantly higher than all the previous year quarters wherein the GC% were in the range of ~55 – 56%. This is mainly the outcome of re-alignment and shift of Businesses in favour of high margin portfolios.





On Y-o-Y basis EBITDA has improved mainly on account of re-alignment of top-line across businesses in favour of high margin portfolios along with significant cost rationalisation and cost containment measures to improve the overall efficiency. Remedial costs towards ongoing US FDA issues continues to be in place. The Company's strategic focus on R&D initiatives that are futuristic in nature, continue to impact the EBITDA as they are being expensed.

Material consumption for FY 2020 stood at 40% of sales compared to 43% in FY 2019. This is a significant improvement vis a vis all the previous year quarters which reflects the strength of the overall portfolio mix.

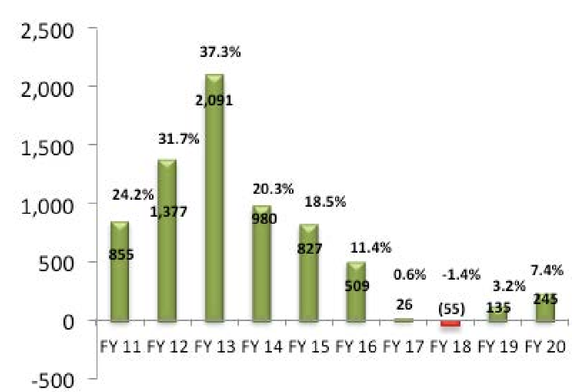
The company's emphasis on R&D continued during the year while adopting selective strategy for rationalizing R&D spends which is reflected in spends for FY 2020 at ~ 6.3%. Personnel costs as % to sales were higher than PY at ~23.3%. However in absolute terms the cost de-grew by 7.4%.

Other expenses for FY 2020 were at 23% of sales compared to 26% in the previous year which is direct outcome of aggressive cost containment measures adopted by the company. Interest cost both in % and absolute terms was higher compared to previous year. Other Income was slightly higher than the previous year at INR 39 Crores.

Profits after Non-Controlling interest (NCI) improved from (-5%) in PY to (-2%) in FY 2020.

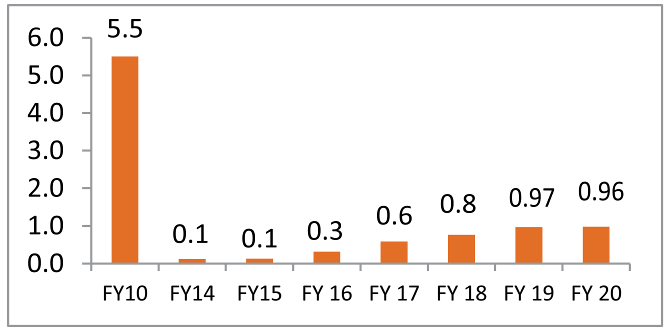
Particulars	FY19	FY20	Change %
Material Consumption	43.4%	39.7%	3.7%
Personnel Cost	20.1%	23.3%	-3.2%
R&D	7.0%	6.3%	0.7%
Other Expenditure	26.3%	23.4%	2.9%
Interest	6.4%	8.3%	-1.9%
Depreciation	4.0%	6.8%	-2.8%
Exchange loss/Gain	0.6%	-0.6%	1.2%
Other Income	-0.5%	-1.2%	0.7%
Tax	-2.0%	-4.6%	2.6%
Profits (Before NCI)	-5.2%	-1.3%	3.9%
NCI	-0.5%	0.8%	-1.3%
Profits (After NCI)	-4.7%	-2.1%	2.6%

The Company's EBITDA margins (both in absolute and % terms) are the best as compared to previous 3 years which is an outcome of high margin portfolio and aggressive cost containment/ cost rationalisation measures which reflects the operational hygiene across geographies.



DEBT AND LEVERAGE

The Net Debt to Equity ratio stood at 0.96 as on 31st March, 2020.



DEBT POSITION

₹ in Crores

	FY 20	FY 19	Change	% Change
Secured	2,610	3,027	-417	-14%
Unsecured	237	5	231	+4388%
Preference Capital	350	330	20	6%
Total	**3,196**	**3,362**	**-166**	**-5%**

Industry R&D Pipeline :

Worldwide pharmaceutical R&D spend totalled $179bn in 2018 representing an increase of +6.5% on the previous year. Going forward, R&D spend is forecast to grow at a CAGR of 3% to 2024. This is lower than the CAGR of 3.6% between 2010 and 2017. Similarly, the average annual proportion of forecast R&D spend to pharmaceutical revenue is expected to be 18.9%, lower than the 19.5% observable between 2010 and 2017. This reduction signals expectations that proportionally either companies will be improving R&D efficiencies or perhaps, that less revenue will be directed towards replenishing pipelines.

(Source: Pg 17 – World preview 2019 outlook to 2024)

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 resistant (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].

Burden of resistance to antibacterial drugs

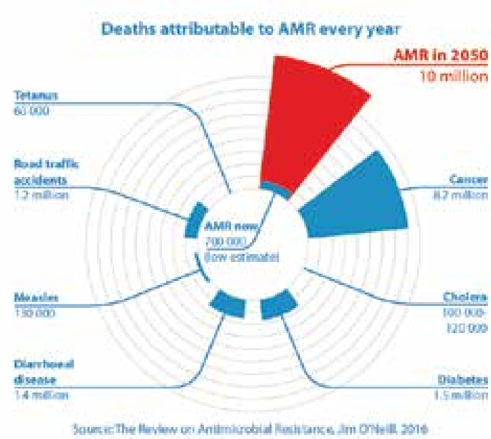
The overall health and economic burden resulting from acquired AMR cannot be fully assessed with the presently available data, however some estimates of the economic effects of AMR have been attempted, and the findings are disturbing. In a WHO report on Antimicrobial Resistance: Global Report on Surveillance (2014), the yearly cost to the US health system alone has been estimated at US $21 to $34 billion dollars, accompanied by more than 8 million additional days in hospital. Because 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 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[4] 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[5]. 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[1,8]. 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[8]. 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 [2,9].

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[4]. 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[6]. 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 least in government, but also across the healthcare and farming industries, and the development and global health communities



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. In general, the world population would be hugely affected as of the year 2050, and birth rates would rapidly decline in this scenario.[9, 10]

Growing Demand!

The global market for Antibiotics, Vaccines & Diagnostics reached USD 108.4 billion in 2015, and is forecast to reach USD 183.2 billion in 2021[4]. The antibiotic market is expected to grow from USD 27.1 billion in 2015 to USD 35.6 billion in 2022, in step with growing demand for generic antibiotics from emerging markets[4]. 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)[4]. 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[4]

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[7] *(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.

Reference:

1. WHO. Antimicrobial resistance (WHO Fact sheet). Geneva: World Health Organization; February 2018 (http:// www.who.int/en/news-room/fact-sheets/detail/antimicrobial-resistance, accessed 25 September 2018).
2. Laxminarayan R, Duse A, Wattal C, Zaidi AK, Wertheim HF, Sumpradit N, et al. Antibiotic resistance-the need for global solutions. Lancet Infect Dis. 2013;13:1057– 98. doi:10.1016/S1473-3099(13)70318-9
3. Antimicrobial resistance: global report on surveillance.2014
4. The Antibiotic Resistance Crisis PMCID: PMC4378521; PMID: 25859123
5. The Review on Antimicrobial Resistance, Chaired by Jim O'Neill
6. Anti-microbial – Resistance – Benchmark 2018
7. Antibiotic Resistance Threats in the United States, 2013- by Centers for Disease Control and Prevention (USA)
8. Ayukekbong JA, Ntemgwa M, Atabe AN. The threat of antimicrobial resistance in developing countries: causes and control strategies. Antimicrob Resist Infect Control. 2017;6:47. doi:10.1186/ s13756-017-0208-x
9. Gould IM, Bal AM. New antibiotic agents in the pipeline and how they can help overcome microbial resistance. Virulence. 2013;4(2):185–191. [PMC free article] [PubMed] [Google Scholar]
10. Bartlett JG, Gilbert DN, Spellberg B. Seven ways to preserve the miracle of antibiotics. Clin Infect Dis. 2013;56(10): 1445–1450. [PubMed] [Google Scholar]

OPPORTUNITIES

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

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

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 a more active role in any treatment plan their doctor may prescribe. Patient-centric care can provide challenges and rewards for the pharmaceutical industry. In 2019 and beyond, 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.

RISK & CONCERNS – Way Ahead

Last year has witnessed volatility on macro-economic parameters globally.

As the new financial year commences, the Novel Coronavirus (COVID-19) has infected more than 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.

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.

However it is expected that the course of economic recovery in India will be smoother and faster than that of many other advanced countries. Indeed, the UNCTAD in its latest report 'The COVID-19 shock to Developing Countries' has predicted that major economies least exposed to recession would be China and India.

While we are now focusing in India 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 key. And there is an urgent need to mobilise resources to stimulate the economy.

Given the halt and lockdowns in almost every activity 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.

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) Shift towards localization
2) Push of Digital wave
3) Cash being new king for Businesses.
4) Shift towards variable cost models.
5) Supply Chain resilience
6) Building agility.

The evolving cGMP regulations have become stringent and the industry is striving unanimously to create world class capabilities to adhere to the mandates. Corrective measures for US FDA clearance are still in process with significant automation, technology upgrades and rollout of best practices at the manufacturing facilities. Your Company is monitoring the situation closely and is working with best of class consultants for resolution. Risk of regulatory quality compliance shall continue to remain critical for your Company in future.

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 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

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

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

With the global rise in the prevalence of resistant strains, and the emergence of newer resistance mechanisms as well as new pathogenic organisms, where the existing antibiotics are having little impact, the overall infectious disease scenario is highly concerning. The Company with its array of 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 is estimated to commence in second half of 2020. Investigational product manufactured for phase III trials at FDA approved contract manufacturing sites in Europe.

WCK 4282: Protocol for Global Phase III complicated urinary tract infection (cUTI) study has been discussed and approved by FDA and EMA. Chinese NMPA concurred that product meets unmet medical need and agreed with the clinical development plan and clinical study protocol. The study is estimated to commence by Q1 2021.

WCK 4873: Obtained Indian regulator DCGI's approval for initiating Phase 3 study in India for the indication of community acquired pneumonia. Discussion with ANVISA completed on the study protocol. Similar approval is being sought from Mexico. Phase III study in India and LATAM is estimated to commence in second half of 2020.

WCK 771 & WCK 2349: Phase 3 study was completed for both WCK 771 (IV) and WCK 2349 (Oral). The study demonstrated that both the NCEs are comparable to standard of care MRSA drug Linezolid. DCGI approvals have been received for manufacturing and marketing in India for both WCK 771 & WCK 2349 which represents the first ever India discovered antibiotics receiving approval. Both the drugs have been approved for Acute Bacterial Skin and Skin Structure Infections (ABSSSI) including diabetic foot infections and concurrent bacteraemia.

WCK 6777: US IND has been filed in US and phase I studies scheduled to commence by end of 2020 in US.

All the above NCEs, have distinction of QIDP status by US FDA.

Your Company has strong focus in developing intellectual property and filed 93 patents during the year under review. 66 patents out of 93 patents pertain to NCEs. During the year 60 patents were granted of which 58 patents were for NCEs. Thus, year after year a high success rate for the grant of NCE patents is maintained. As on 31st March, 2020, combined pool of Company's patent has reached 3,165 filings and 722 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 is 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. Other products at different stages of development are: Recombinant Insulin analogues (Insulin Aspart, Insulin Lispro), Recombinant Darbepoetin, a GLP-1 agonist and therapeutic monoclonal antibodies etc. Pharmacokinetic and Pharmacodynamic (PK/PD) study for Insulin Aspart is estimated to commence in Q3, 2020. Your Company, during the year, has received approval from RCGM, Department of Biotechnology, Govt. of India for preclinical study report of Recombinant Darbepoetin and PK/PD study is expected to be initiated in 2021.

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

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 product is planned to be initiated in 2020.

COMPANY OUTLOOK

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

a. Overall growth in the global pharmaceutical industry

b. Continued focus on R&D in regards to its complex generic, bio technology and NCE programs.

c. Company's global reach in regulated market and continued efforts to enhance its reach in emerging markets.

d. Increasing pipeline of niche & complex technology generic products

SEGMENT-WISE PERFORMANCE

The Company is exclusively into pharmaceutical business segment.

DETAILS OF RATIOS

a)	Interest coverage ratio	:	0.59 to 0.99	- Favourable
b)	Operating profit margin	:	3% to 7%	- Favourable
c)	Net profit margin	:	(5%) to (1%)	- Favourable
d)	Return on Networth	:	(7%) to (1%)	- Favourable
e)	Debtors turnover ratio	:	3.3% to 2.3%	- Favourable
f)	Inventory Turnover ratio	:	2.1% to 1.7%	- Adverse
g)	Current Ratio	:	2.13 to 1.41	- Adverse

There was a positive increase in the ratios such as Interest coverage, Operating Profit margin and net profit margin and significant improvement in EBITDA. Return on Networth has improved mainly on account of re-alignment of top-line across businesses in favour of high margin portfolios along with significant cost rationalisation and cost containment measures to improve the overall efficiency and operational hygiene.

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.

HUMAN RESOURCES

Wockhardt's talent base, as on March 31, 2020 stands at 5,106.

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 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, Productive and Efficient.

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 provides 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 BEST ONBOARDING AWARD 2019 as a Winner by People Matters in across Industries.

‘The Wockhardt Way’, our nine core values of Winning, Openness, Courage, Knowledge, Humility, Ambition, Reputation, Depth and Trust 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 & 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 PI has helped company’s understanding of employees, potential strengths and particular characteristics. In this program, the associates are mapped with an aim to work on their strengths and areas of development through career conversations and leadership guidance to identify current job role fit and potential job role fit.

The Companies “Whistle Blower Policy” which 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 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 2020, 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 2020, 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 audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph 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, 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.

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 rebates, discounts, returns, service level penalties and allowances requires significant estimates and judgement and change in these estimates can have a significant financial impact. Given the risk of overstatement of revenue due to fraud and significant estimates and judgement required to assess various accruals referred above, this is considered to be a key audit matter. Refer note 3(j) of accounting policy and note 36 in consolidated financial statements.	Our audit procedures included the following: • We have assessed the Group's accounting policies relating to revenue recognition and sales returns by comparing with applicable accounting standards. • We have evaluated the design, implementation and operating effectiveness of the Group's internal control over revenue recognition and measurement of rebates, discounts, 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 during the year. • We have verified Group's assessment of accruals of 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 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 and capital work in progress of the Group are affected by lower capacity utilization mainly due to regulatory alert from U.S. Food and Drug Administration and are currently not being used for alternate purposes. The Group's investment in these facilities was made considering market feasibility and potential of existing / future products. As at 31 March 2020, carrying value of such property, plant and equipment and capital work in progress amounts to ₹ 183.55 crores and ₹ 426.14 crores respectively. The Group's remediation work of such facilities is underway and is expected to fully utilise the facilities post necessary approvals from the regulator. 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(a) of accounting policy and note 43 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 standards. • We have performed test of controls over impairment assessment made by the Group through inspection of evidences of performance of these controls. • We have inquired the progress made on remediation work with key managerial personnel. • We have assessed the competence, capabilities and objectivity of the experts (internal and external) used by the Group in the process of determining recoverable amounts. • We have challenged the significant assumptions considered by the Group while carrying out impairment assessment. • We have involved our valuation specialists to assess the valuation methodologies applied by the Holding Company.

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 ₹ 748.07 crores as at 31 March 2020. The aforesaid development expenditure is incurred on clinical development programme in relation to the New Chemical Entity (NCE). The carrying value of such Intangible assets under development is tested for recoverability, based on the estimated future cash flows, market conditions, etc. Changes in these assumptions could lead to an impairment to the carrying value of these Intangible assets under development. Given the significance of amount involved and the estimates and judgements involved in assessment of capitalisation of such costs and their recoverability, this is considered to be a key audit matter. Refer note 3(b) of accounting policy in consolidated financial statements	Our audit procedures included the following: • We have assessed the Group's accounting policies relating to Intangible assets under development by comparing with applicable accounting standards. • We have inquired the progress made on NCE development with key managerial personnel. • We have inspected the correspondences with regulatory authorities, third parties, scientific documentation and the market releases made by the Group. • We have tested, on a sample basis, the project related expenditure with underlying documents. • We have evaluated the criteria for capitalisation of development expenditure with those set out in the applicable accounting standard. • We have challenged the Group's assessment of estimated future cash flows relating to the NCE project and their recoverability plans.

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 ₹ 875.19 crores as at 31 March 2020 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 performed test of controls over impairment assessment made by the Group through inspection of evidences of performance of these controls. • 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.

Presentation of discontinued operations

The Key Audit Matter	How the matter was addressed in our audit
The Board of Directors have approved the Business Transfer Agreement between the Holding Company and Dr. Reddy's Laboratories Limited for divestment of its identified domestic branded business for a consideration of ₹ 1,850 crores. The Group has disclosed the results of such operations as discontinued operations. The Group has classified the related assets and liabilities as held for sale. * Given the size and complexity of transaction, the classification, presentation and disclosure of discontinued operations / assets classified held for sale requires judgement and is therefore considered to be a key audit matter. Refer note 3(q) of accounting policy and note 37 in consolidated financial statements	Our audit procedures included the following: • We have assessed the Group's accounting policies relating to discontinued operations / assets held for sale by comparing with applicable accounting standards. • We have read the minutes of meetings of Board of Directors of the Holding Company, Business Transfer Agreement and the Group's related press releases. • We have inquired with the key managerial personnel to obtain an understanding of the disposal process and the key terms of sale. • We have reconciled the assets, liabilities and results of operations of the divested business to the underlying information in the Group's financial reporting system. • We have evaluated the adequacy of the presentation and disclosures of discontinued operations / assets classified as held for sale in accordance with applicable accounting standards

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 financial statements and our auditors' 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 and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/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 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 is 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 the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- 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 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 financial information 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 para (a) of the section titled 'Other Matters' in this audit report.

  We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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 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.

Other Matters

(a) We did not audit the financial statements / financial information of twenty six subsidiaries whose financial statements/ financial information reflect total assets of ₹ 8,513.03 crores as at 31 March 2020, total revenues of ₹ 2,855.27 crores and net cash outflows amounting to ₹ 121.18 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial 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 audit reports of the other auditors. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

(b) The consolidated financial statements as at and for the year ended 31 March 2020 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.

(c) The comparative financial statements of the Group for the year ended 31 March 2019 included in these consolidated financial statements have been audited by the predecessor auditor who had expressed an unmodified opinion thereon as per their report dated 6 May 2019 and which has been furnished to us by the Management and has been relied upon by us for the purpose of our audit. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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 2020 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 2020 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 A".

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:

(i) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group. Refer Note 44 to the consolidated financial statements.

(ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) 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 2020.

(iv) The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2020.

C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies, incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies, 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, 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

Place : Mumbai
Date : 11 May 2020
ICAI UDIN: 20112399AAAABB5571

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF WOCKHARDT LIMITED FOR THE YEAR ENDED 31 MARCH 2020

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

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

Opinion

In conjunction with our audit of the consolidated financial statements of Wockhardt Limited (hereinafter referred to as the Holding Company) as of and for the year ended 31 March 2020, 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 2020, 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 respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the 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 if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 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 with reference to 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 financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls 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 : 11 May 2020
ICAI UDIN: 20112399AAAABB5571

CONSOLIDATED FINANCIAL STATEMENTS - BALANCE SHEET

As at March 31, 2020

	Notes	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million	As at March 31, 2019 ₹ in crore	As at March 31, 2019 USD in million
ASSETS					
NON-CURRENT ASSETS					
Property, Plant and Equipment	4	**1,856.69**	**245.66**	2,124.50	306.97
Right of use assets	4	**622.20**	**82.32**	–	–
Capital work-in-progress	4	**836.46**	**110.67**	899.72	130.00
Goodwill on consolidation	5	**875.19**	**115.80**	820.56	118.57
Other Intangible Assets	6	**148.21**	**19.61**	112.87	16.31
Intangible assets under Development	6	**748.07**	**98.98**	545.76	78.86
Financial Assets					
Investments	7	**0.45**	**0.06**	0.45	0.07
Other non-current financial assets	8	**46.02**	**6.09**	38.58	5.57
Non-current tax assets (net)		**118.95**	**15.74**	113.08	16.38
Deferred tax assets (net)	9	**429.42**	**56.82**	273.27	39.49
Other non-current assets	10	**67.42**	**8.92**	100.87	14.57
		5,749.08	**760.67**	5,029.66	726.79
CURRENT ASSETS					
Inventories	11	**689.83**	**91.27**	819.36	118.36
Financial Assets					
Trade receivables	12	**1,242.69**	**164.42**	1,273.90	184.07
Cash and cash equivalents	13.1	**219.34**	**29.02**	397.34	57.41
Bank balances (other than cash and cash equivalents)	13.2	**49.12**	**6.50**	51.31	7.42
Other current financial assets	14	**8.85**	**1.17**	20.18	2.92
Other current assets	15	**163.36**	**21.61**	252.56	36.49
Asset classified as held for sale	37B	**56.64**	**7.49**	–	–
		2,429.83	**321.48**	2,814.65	406.67
Total Assets		**8,178.91**	**1,082.15**	7,844.31	1,133.46
EQUITY AND LIABILITIES					
EQUITY					
Equity Share Capital	16	**55.37**	**7.32**	55.34	7.99
Other Equity		**2,616.30**	**346.16**	2,619.46	378.50
Equity attributable to the shareholders of the Company		**2,671.67**	**353.48**	2,674.80	386.49
Non-controlling interests	39	**385.79**	**51.04**	329.83	47.66
Total Equity		**3,057.46**	**404.52**	3,004.63	434.15
LIABILITIES					
NON-CURRENT LIABILITIES					
Financial Liabilities					
Borrowings	17	**1,240.90**	**164.19**	1,891.47	273.30
Lease Liabilities	32	**306.52**	**40.56**	–	–
Provisions	18	**45.60**	**6.04**	53.48	7.73
Deferred tax liabilities (net)	9	**31.25**	**4.13**	31.07	4.49
		1,624.27	**214.92**	1,976.02	285.52
CURRENT LIABILITIES					
Financial Liabilities					
Borrowings	19	**903.86**	**119.58**	561.71	81.16
Trade payables	20				
Total outstanding dues of micro enterprises and small enterprises		**34.89**	**4.62**	78.84	11.39
Total outstanding dues of creditors other than micro enterprises and small enterprises		**860.38**	**113.84**	761.40	110.02
Lease Liabilities	32	**62.51**	**8.27**	–	–
Other current financial liabilities	21	**1,387.93**	**183.64**	1,283.56	185.48
Other current liabilities	22	**117.94**	**15.61**	69.53	10.05
Provisions	23	**117.28**	**15.51**	102.43	14.80
Current tax liabilities (net)		**0.97**	**0.13**	6.19	0.89
Liabilities classified as held for sale	37B	**11.42**	**1.51**	–	–
		3,497.18	**462.71**	2,863.66	413.79
Total Liabilities		**5,121.45**	**677.63**	4,839.68	699.31
Total Equity and Liabilities		**8,178.91**	**1,082.15**	7,844.31	1,133.46
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

Narendra Singh
Company Secretary

Manas Datta
Chief Financial Officer

Place : Mumbai
Date : May 11, 2020

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

Tasneem Mehta
DIN: 05009664

Baldev Raj Arora
DIN: 00194168

Vinesh Kumar Jairath
DIN: 00391684

Rima Marphatia
DIN: 00444343

Directors

CONSOLIDATED FINANCIAL STATEMENTS - STATEMENT OF PROFIT OR LOSS

For the Year Ended March 31, 2020

		Notes	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2020 USD in million	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2019 USD in million
	Income from Continuing operations					
I	Revenue from Continuing operations	24	**2,843.99**	**376.30**	3,565.84	515.23
II	Other income	25	**38.81**	**5.13**	21.02	3.03
III	Total Income (I + II)		**2,882.80**	**381.43**	3,586.86	518.26
IV	**Expenses from Continuing operations**					
	Cost of materials consumed		**621.72**	**82.26**	806.66	116.56
	Purchases of Stock-in-Trade		**507.70**	**67.17**	799.19	115.48
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	26	**74.03**	**9.78**	30.46	4.39
	Employee benefits expense	27	**743.33**	**98.35**	800.38	115.65
	Finance costs	28	**275.74**	**36.49**	265.14	38.31
	Depreciation and amortisation expense	4 & 6	**224.14**	**29.66**	163.95	23.69
	Exchange fluctuation (gain)/loss, net		**(21.27)**	**(2.81)**	25.36	3.66
	Other expenses	29	**799.45**	**105.77**	1,142.27	165.05
	Total Expenses (IV)		**3,224.84**	**426.67**	4,033.41	582.79
V	Loss Before Tax From Continuing Operations (III - IV)		**(342.04)**	**(45.24)**	(446.55)	(64.53)
VI	Tax expense of Continuing Operations	9				
	For current year		**(48.42)**	**(6.41)**	(41.93)	(6.06)
	For earlier years		**3.69**	**0.49**	–	–
	Deferred tax charge/(credit) - net		**(159.36)**	**(21.08)**	(92.83)	(13.41)
VII	Loss After Tax From Continuing Operations (V-VI)		**(137.95)**	**(18.24)**	(311.79)	(45.06)
VIII	Discontinued Operations	37				
	Profit from discontinued operation before tax		**145.36**	**19.23**	146.23	21.13
	Tax expense of discontinued operations - charge		**50.80**	**6.72**	51.10	7.38
	Profit from discontinued operations		**94.56**	**12.51**	95.13	13.75
IX	Loss For The Year (VII + VIII)		**(43.39)**	**(5.73)**	(216.66)	(31.31)
	Attributable to:					
	Equity holders of the Company		**(69.22)**	**(9.15)**	(194.53)	(28.11)
	Non-controlling interests		**25.83**	**3.42**	(22.13)	(3.20)
			(43.39)	**(5.73)**	(216.66)	(31.31)
X	Other Comprehensive Income From Continuing Operations					
	(i) Items that will not be reclassified to profit or loss (Remeasurement of net defined benefit (liability)/asset)		**(2.95)**	**(0.39)**	(9.51)	(1.37)
	(ii) Income tax relating to above items that will not be reclassified to profit or loss - (charge)/credit		**(3.45)**	**(0.46)**	(0.11)	(0.02)
	Items that will be reclassified to profit or loss (Consisting of Exchange differences on translating the financial statements of a foreign operation)		**107.38**	**14.21**	19.31	2.79
	Other Comprehensive Income from continuing operations (Net of tax)		**100.98**	**13.36**	9.69	1.40
XI	Other Comprehensive Income From Discontinued Operations					
	(i) Items that will not be reclassified to profit or loss (Remeasurement of net defined benefit (liability)/asset)		**(0.17)**	**(0.02)**	(1.06)	(0.15)
	(ii) Income tax relating to above items that will not be reclassified to profit or loss - (charge)/credit		**0.06**	**0.01**	0.37	0.05
	Other Comprehensive Income from discontinued operations (Net of tax)		**(0.11)**	**(0.01)**	(0.69)	(0.10)
XII	Total Comprehensive Income/(Loss) (Comprising Profit/(Loss) and Other Comprehensive Income For The Year) (IX+X+XI)		**57.48**	**7.62**	(207.66)	(30.01)
	Attributable to:					
	Equity holders of the Company		**1.52**	**0.21**	(191.76)	(27.71)
	Non-controlling interests		**55.96**	**7.41**	(15.90)	(2.30)
			57.48	**7.62**	(207.66)	(30.01)
	Earnings per equity share of face value of ₹ 5 each	30				
A.	Earnings per equity share (for continuing operations)					
	Basic earnings per share ₹/ USD		**(14.79)**	**(0.20)**	(26.17)	(0.38)
	Diluted earnings per share ₹/ USD		**(14.79)**	**(0.20)**	(26.17)	(0.38)
B.	Earnings per equity share (for discontinued operations)					
	Basic earnings per share ₹/ USD		**8.54**	**0.11**	8.60	0.12
	Diluted earnings per share ₹/ USD		**8.50**	**0.11**	8.55	0.12
C.	Earnings per equity share (for continuing and discontinued operations)					
	Basic earnings per share ₹/ USD		**(6.25)**	**(0.08)**	(17.58)	(0.25)
	Diluted earnings per share ₹/ USD		**(6.25)**	**(0.08)**	(17.58)	(0.25)
	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

Narendra Singh
Company Secretary

Manas Datta
Chief Financial Officer

Place : Mumbai
Date : May 11, 2020

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

Tasneem Mehta
DIN: 05009664

Baldev Raj Arora
DIN: 00194168

Vinesh Kumar Jairath
DIN: 00391684

Rima Marphatia
DIN: 00444343

Directors

CONSOLIDATED FINANCIAL STATEMENTS - STATEMENT OF CHANGES IN EQUITY

For the Year Ended March 31, 2020

A. Equity Share Capital

As at April 01, 2018 ₹ in crore	Changes in equity share capital during the year ₹ in crore	As at March 31, 2019 ₹ in crore	As at March 31, 2019 USD in million	Changes in equity share capital during the year ₹ in crore	**As at March 31, 2020 ₹ in crore**	**As at March 31, 2020 USD in million**
55.32	0.02	55.34	7.99	0.03	**55.37**	**7.32**

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	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, 2018	**172.78**	**43.96**	**489.35**	**65.04**	**36.72**	**260.71**	**(6.80)**	**1,467.04**	**268.03**	**2,796.83**	**345.73**	**3,142.56**
Loss for the year	–	–	–	–	–	–	–	(194.53)		(194.53)	(22.13)	(216.66)
Other comprehensive income / (Loss) for the year	–	–	–	–		–	–	(9.02)	11.79	2.77	6.23	9.00
Total comprehensive Income	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(203.55)**	**11.79**	**(191.76)**	**(15.90)**	**(207.66)**
Net additions/(deductions) on ESOP options (Also Refer note 35)	–	–	–	3.55	(4.45)	1.86	–	–	–	0.96	–	0.96
Net additions on Preference shares	–	21.61	–	–	–	–	–	–	–	21.61	–	21.61
Additions in Foreign Currency Monetary Items Translation Difference Account (FCMITDA)	–	–	–	–	–	–	(22.14)	–	–	(22.14)	–	(22.14)
Amortisation from Foreign Currency Monetary Items Translation Difference Account (FCMITDA)	–	–	–	–	–	–	13.96	–	–	13.96	–	13.96
Balance as on March 31, 2019	**172.78**	**65.57**	**489.35**	**68.59**	**32.27**	**262.57**	**(14.98)**	**1,263.49**	**279.82**	**2,619.46**	**329.83**	**2,949.29**
Profit/(Loss) for the year	–	–	–	–	–	–	–	(69.22)	–	(69.22)	25.83	(43.39)
Other comprehensive income / (Loss) for the year	–	–	–	–	–	–	–	(5.05)	75.79	70.74	30.13	100.87
Total comprehensive Income	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(74.27)**	**75.79**	**1.52**	**55.96**	**57.48**
Net additions/(deductions) on ESOP options (Also Refer note 35)	–	–	–	4.19	(2.30)	0.37	–	–	–	2.26	–	2.26
Additions in Foreign Currency Monetary Items Translation Difference Account (FCMITDA)	–	–	–	–	–	–	(27.23)	–	–	(27.23)	–	(27.23)
Amortisation from Foreign Currency Monetary Items Translation Difference Account (FCMITDA)	–	–	–	–	–	–	20.29	–	–	20.29	–	20.29
Balance as on March 31, 2020	**172.78**	**65.57**	**489.35**	**72.78**	**29.97**	**262.94**	**(21.92)**	**1,189.22**	**355.61**	**2,616.30**	**385.79**	**3,002.09**
Balance as on March 31, 2020 (USD in million)	**22.86**	**8.68**	**64.75**	**9.63**	**3.97**	**34.79**	**(2.92)**	**157.35**	**47.05**	**346.16**	**51.04**	**397.20**
Balance as on March 31, 2019 (USD in million)	**24.97**	**9.47**	**70.71**	**9.91**	**4.66**	**37.94**	**(2.16)**	**182.57**	**40.43**	**378.50**	**47.66**	**426.16**

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 35 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

Narendra Singh
Company Secretary

Manas Datta
Chief Financial Officer

Place : Mumbai
Date : May 11, 2020

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

Tasneem Mehta
DIN: 05009664

Baldev Raj Arora
DIN: 00194168

Vinesh Kumar Jairath
DIN: 00391684

Rima Marphatia
DIN: 00444343

Directors

CONSOLIDATED FINANCIAL STATEMENTS - CASH FLOW STATEMENT

For the Year Ended March 31, 2020

	Note	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2020 USD in million	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2019 USD in million
CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES					
(Loss) before tax from Continuing Operations		**(342.04)**	**(45.24)**	(446.55)	(64.53)
Profit before tax from Discontinued Operations		**145.36**	**19.23**	146.23	21.13
Adjustments for:					
Depreciation and amortisation expense	4 & 6	**225.70**	**29.86**	166.04	23.99
Allowance for credit loss	29	**27.80**	**3.68**	1.28	0.18
Bad Debts		**4.16**	**0.55**	0.25	0.04
(Profit) / Loss on assets sold		**(0.40)**	**(0.05)**	1.17	0.17
Finance costs	28	**275.74**	**36.49**	264.89	38.28
Exchange loss/ (gain)		**(21.27)**	**(2.81)**	25.36	3.66
Interest income	25	**(9.99)**	**(1.32)**	(17.54)	(2.53)
Employee share based payments	27	**2.26**	**0.30**	1.58	0.23
Liabilities no more payable		**(20.77)**	**(2.77)**	(1.06)	(0.15)
Fair valuation impact on certain financial instruments		**–**	**–**	2.55	0.37
Operating profit before working capital changes		**286.53**	**37.92**	144.20	20.85
Adjustments for changes in Working capital					
Decrease in Inventories		**129.53**	**17.14**	36.35	5.25
Decrease/(Increase) in trade receivables		**53.45**	**7.07**	(293.57)	(42.42)
Decrease/(Increase) in Loans and Advances and other assets		**108.05**	**14.30**	(3.61)	(0.53)
Increase in Liabilities and provisions		**83.65**	**11.07**	293.72	42.44
Adjustment for translation difference in working capital		**4.90**	**0.65**	47.40	6.85
Cash generated from operations		**666.12**	**88.15**	224.49	32.44
Income tax paid		**(17.16)**	**(2.27)**	(41.17)	(5.95)
Net cash inflow from Operating activities		**648.96**	**85.88**	183.32	26.49
CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES					
Purchase of Property, Plant and Equipment, Capital work-in progress and Intangible assets		**(172.38)**	**(22.81)**	(274.87)	(39.72)
Proceeds from sale of property, plant and equipment		**8.94**	**1.18**	5.37	0.78
Sale of investments		**–**	**–**	213.25	30.81
Margin money under lien and Bank balances (other than cash and cash equivalents)		**0.43**	**0.06**	135.43	19.57
Interest received		**7.48**	**0.99**	15.39	2.22
Net cash (outflow)/inflow Investing activities		**(155.53)**	**(20.58)**	94.57	13.66

	Note	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2020 USD in million	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2019 USD in million
CASH FLOW FROM FINANCING ACTIVITIES (REFER NOTE 45)					
Proceeds from Issuance of Equity share capital		**0.03**	**–**	0.02	–
Proceeds from Issuance of preference shares		**–**	**–**	250.00	36.12
Proceeds from long-term borrowings (other than preference shares above)		**280.55**	**37.12**	200.00	28.90
Redemption of preference shares		**–**	**–**	(218.56)	(31.58)
Repayment of long-term borrowings (other than preference shares above)		**(881.88)**	**(116.68)**	(819.21)	(118.37)
Short-term borrowings (net)		**1.69**	**0.22**	122.84	17.75
Loans from related parties		**231.89**	**30.68**	–	–
Repayment of Lease liabilities (Refer note 3 below)		**(64.46)**	**(8.53)**	–	–
Finance costs paid		**(247.72)**	**(32.78)**	(258.72)	(37.38)
Premium on redemption of preference shares		**–**	**–**	(52.80)	(7.63)
Equity Dividend paid (including dividend distribution tax, if any)		**0.32**	**0.04**	(0.02)	–
Net cash outflow from Financing activities		**(679.58)**	**(89.93)**	(776.45)	(112.19)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(186.15)**	**(24.63)**	(498.56)	(72.04)
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR	13.1	**397.34**	**52.57**	897.24	129.64
Effects of exchange rate changes on cash and cash equivalents		**0.16**	**0.02**	(1.35)	(0.19)
Exchange difference on translation of foreign cash and cash equivalent		**7.99**	**1.06**	–	–
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR		**219.34**	**29.02**	397.34	57.41
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	13.1	**0.05**	**0.01**	0.07	0.01
Balance with banks:	13.1				
– in current account		**219.29**	**29.01**	327.13	47.27
Deposits with maturity of less than 3 months	13.1	**–**	**–**	70.14	10.13
Balance as per the Statement of cash flows		**219.34**	**29.02**	397.34	57.41

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 ₹ 34.36 crore
   Payment of Principal ₹ 30.10 crore
4. Refer Note 37 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

Narendra Singh
Company Secretary

Manas Datta
Chief Financial Officer

Place : Mumbai
Date : May 11, 2020

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

Tasneem Mehta
DIN: 05009664

Baldev Raj Arora
DIN: 00194168

Vinesh Kumar Jairath
DIN: 00391684

Rima Marphatia
DIN: 00444343

Directors

1. CORPORATE INFORMATION

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

Background

Wockhardt Limited ('WL' or '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 UK Holdings Limited	England & Wales	Wockhardt Limited	100%
4	Wockhardt Bio AG [Formerly, Wockhardt EU Operations (Swiss) AG]	Switzerland	Wockhardt Limited	85.85%
5	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)	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 is yet to commence business.

* % holding is same as of previous year.

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 eleven 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 11, 2020.

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 for share data and per share data, unless otherwise stated.

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 (including derivative financial instruments) that are measured at fair value.
- Share-based payments.
- Certain Property,Plant and Equipments measured at fair value which has been considered as deemed cost.
- 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, 2020 and March 31, 2019 have been translated into United States dollars at the closing rate USD 1 = ₹ 75.5800 (previous year: USD 1 = ₹ 69.2075). 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.

<u>Critical judgements in applying accounting policies:</u>

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 Group'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 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, 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 usefule 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.

3. SIGNIFICANT ACCOUNTING POLICIES:

a) Property, Plant and Equipment and Depreciation

I. Recognition and Measurement:

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

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

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in 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	30 - 61 years
Plant and Equipment	10 - 21 years
Furniture and Fixtures	16 years
Office Equipments	4 years
Information Technology Equipments	3 – 5 years
Vehicles	3 – 5 years

Depreciation method, useful live 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 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 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 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.

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.

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 / factories 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.

Royalties

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

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

Insurance claims

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

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 Act.

v) Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which will be applicable from April 1, 2020.

4. PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Block (At Cost)						Accumulated Depreciation						Net Block			
	As at April 01, 2019	Additions	Deductions/ Adjustments (Refer Note 4.5)	Exchange gain/(loss)	Asset classified as held for sale (Refer note 37B)	**As at March 31, 2020**	As at April 01, 2019	Charge for the year (Refer Note 4.3)	Deductions/ Adjustments	Exchange gain/ (loss)	Asset classified as held for sale (Refer note 37B)	**As at March 31, 2020**	**As at March 31, 2020**	**As at March 31, 2020**	As at March 31, 2019	As at March 31, 2019
	₹ 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
Freehold Land	153.25	–	–	4.92	(6.51)	**151.66**	–	–	–	–	–	**–**	**151.66**	**20.07**	153.25	22.14
Buildings	628.85	4.51	(5.54)	14.35	(11.35)	**630.82**	184.32	18.66	(5.54)	5.98	(4.34)	**199.08**	**431.74**	**57.12**	444.53	64.23
Plant and Equipment	2,423.31	152.36	(73.34)	31.15	(32.85)	**2,500.63**	1,213.11	121.92	(72.61)	21.21	(18.12)	**1,265.51**	**1,235.12**	**163.42**	1,210.20	174.87
Furniture and Fixtures	64.78	4.01	(11.91)	1.54	(1.05)	**57.37**	45.61	3.64	(11.46)	1.04	(0.73)	**38.10**	**19.27**	**2.55**	19.17	2.77
Vehicles	7.27	–	(0.32)	0.02	–	**6.97**	6.46	0.31	(0.32)	0.02	–	**6.47**	**0.50**	**0.07**	0.81	0.12
Office Equipment	45.11	1.84	(2.44)	1.35	(0.43)	**45.43**	21.99	4.92	(0.43)	1.21	(0.40)	**27.29**	**18.14**	**2.40**	23.12	3.34
Information Technology Equipments	94.55	2.60	(6.81)	1.28	(1.11)	**90.51**	86.17	5.00	(1.46)	1.64	(1.10)	**90.25**	**0.26**	**0.03**	8.38	1.21
Total	**3,417.12**	**165.32**	**(100.36)**	**54.61**	**(53.30)**	**3,483.39**	**1,557.66**	**154.45**	**(91.82)**	**31.10**	**(24.69)**	**1,626.70**	**1,856.69**	**245.66**	1,859.46	**268.68**

Right of use assets

Particulars	Gross Block (At Cost)						Accumulated Depreciation						Net Block			
	As at April 01, 2019 (on account of transition to Ind AS 116)	Additions	Deductions/ Adjustments	Exchange gain/(loss)	Asset classified as held for sale (Refer note 37B)	**As at March 31, 2020**	As at April 01, 2019 (on account of transition to Ind AS 116)	Charge for the year	Deductions/ Adjustments	Exchange gain/ (loss)	Asset classified as held for sale (Refer note 37B)	**As at March 31, 2020**	**As at March 31, 2020**	**As at March 31, 2020**	As at March 31, 2019	As at March 31, 2019
	₹ 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
Buildings	401.70	–	(3.20)	0.32	–	**398.82**	–	51.41	(0.71)	0.07	–	**50.77**	**348.05**	**46.05**	–	–
Vehicles	2.33	–	–	–	–	**2.33**	–	0.99	–	–	–	**0.99**	**1.34**	**0.18**	–	–
Office Equipment	0.76	–	–	–	–	**0.76**	–	0.28	–	–	–	**0.28**	**0.48**	**0.06**	–	–
Leasehold Land	294.54	–	–	0.51	–	**295.05**	16.09	6.58	–	0.05	–	**22.72**	**272.33**	**36.03**	–	–
Total	**699.33**	**–**	**(3.20)**	**0.83**	**–**	**696.96**	**16.09**	**59.26**	**(0.71)**	**0.12**	**–**	**74.76**	**622.20**	**82.32**	–	**–**
Capital work-in-progress (Refer Note 4.2 below)													**836.46**	**110.67**	**899.72**	**130.00**

Particulars	Gross Block (At Cost)						Accumulated Depreciation						Net Block			
	As at April 01, 2018	Additions	Deductions/ Adjustments	Exchange gain/(loss)	Asset classified as held for sale (Refer note 37B)	As at March 31, 2019	As at April 01, 2018	Charge for the year	Deductions/ Adjustments	Exchange gain/ (loss)	Asset classified as held for sale (Refer note 37B)	As at March 31, 2019	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2018
	₹ 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
Freehold Land	150.14	0.11	–	3.00	–	153.25	–	–	–	–	–	–	153.25	22.14	150.14	23.03
Leasehold Land	281.13	–	–	–	–	281.13	12.53	3.56	–	–	–	16.09	265.04	38.30	268.60	41.21
Buildings	532.69	94.71	(0.18)	1.63	–	628.85	167.62	16.65	(0.04)	0.09	–	184.32	444.53	64.23	365.07	56.01
Plant and Equipment	2,210.69	220.15	(4.37)	(3.16)	–	2,423.31	1,098.62	118.70	(2.25)	(1.96)	–	1,213.11	1,210.20	174.86	1,112.07	170.61
Furniture and Fixtures	61.96	2.80	(0.05)	0.07	–	64.78	41.89	3.49	(0.04)	0.27	–	45.61	19.17	2.77	20.07	3.08
Vehicles	6.84	0.63	(0.20)	–	–	7.27	6.35	0.31	(0.20)	–	–	6.46	0.81	0.12	0.49	0.08
Office Equipment	41.46	3.59	(0.13)	0.19	–	45.11	17.27	4.70	(0.12)	0.14	–	21.99	23.12	3.34	24.19	3.71
Information Technology Equipments	91.07	7.74	(3.89)	(0.37)	–	94.55	83.78	7.06	(3.77)	(0.90)	–	86.17	8.38	1.21	7.29	1.12
Total	**3,375.98**	**329.73**	**(8.82)**	**1.36**	**–**	**3,698.25**	**1,428.06**	**154.47**	**(6.42)**	**(2.36)**	**–**	**1,573.75**	**2,124.50**	**306.97**	**1,947.92**	**298.85**
Capital Work In Progress (Refer Note 4.2 below)													**899.72**	**130.00**	**1,039.13**	**159.42**

Notes:

4.1 - Exchange differences arising on long term foreign currency monetary items relating to depreciable asset adjusted in additions above amounts to ₹ 8.23 crore (Previous year - ₹ 9.59 crore)

4.2 - Addition to Capital Work-In-Progress includes expenditure incurred during construction period pending allocation aggregating ₹ 15.34 crore (Previous year : ₹ 27.18 crore). These expenses include employee and material cost ₹ 1.36 crore (Previous year : ₹ Nil), Interest Cost ₹ 11.87 crore (Previous year : ₹ 10.51 crore) and Other operating cost ₹ 2.12 crore (Previous year : ₹ 16.67 crore). [Other operating cost includes repairs and maintenance ₹ 0.15 crore (Previous year: ₹ Nil), legal and professional charges ₹ 0.08 crore (Previous year : ₹ 0.15 crore) and Other general expenses ₹ 1.89 crore (Previous year : ₹ 16.52 crore)].

4.3 - Depreciation pertaining to Discontinued operations included above is ₹ 1.56 crore (Previous year - ₹ 2.09 crore).

4.4 - Charge has been created against the aforesaid assets for the borrowings taken by the Company and its subsidiary (Refer note 17, 19 and 21).

4.5 - Deductions/Adjustments include reclassification to Plant and Machinery from Office Equipments and Information Technology Equipments amounting ₹ 7.32 crore.

5. GOODWILL ON CONSOLIDATION

Particulars	Gross Block (At Cost)					Accumulated Impairment					Net Block			
	As at April 01, 2019	Additions	Deductions/ Adjustments	Exchange Gain/(Loss)	**As at March 31, 2020**	As at April 01, 2019	Charge for the year	Deductions/ Adjustments	Exchange Gain/(Loss)	**As at March 31, 2020**	**As at March 31, 2020**	**As at March 31, 2020**	As at March 31, 2019	As at March 31, 2019
	₹ 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
Goodwill on consolidation	1,867.73	–	–	54.63	**1,922.36**	1,047.17	–	–	–	**1,047.17**	**875.19**	**115.80**	820.56	118.57

Particulars	Gross Block (At Cost)					Accumulated Impairment					Net Block			
	As at April 01, 2018	Additions	Deductions/ Adjustments	Exchange Gain/(Loss)	As at March 31, 2019	As at April 01, 2018	Charge for the year	Deductions/ Adjustments	Exchange Gain/(Loss)	As at March 31, 2019	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2018
	₹ 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
Goodwill on consolidation	1,888.11	–	–	(20.38)	1,867.73	1,047.53	–	–	(0.36)	1,047.17	820.56	118.57	840.58	128.96

5. GOODWILL ON CONSOLIDATION

Movement of carrying amount – Refer Schedule of Goodwill

Impairment testing of Goodwill on Consolidation

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, 2020 ₹ in crore	As at March 31, 2019 ₹ in crore
Pinewood	**738.32**	692.23
	738.32	692.23

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 12.5% (Previous year - 10%).

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, 2020 ₹ in crore	As at March 31, 2019 ₹ in crore
CP Pharmaceuticals	**50.78**	49.02
	50.78	49.02

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 12.5% (Previous year : 10%).

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, 2020 ₹ in crore	As at March 31, 2019 ₹ in crore
Morton Grove	**86.09**	79.31
	86.09	79.31

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 12.5% (Previous year - 9.8%).

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

Particulars	Gross Block (At Cost)						Accumulated Amortization						Net Block			
	As at April 01, 2019	Additions/ Adjustments	Deductions/ Adjustments	Exchange Gain/ (Loss)	Asset classified as held for sale (Refer note 37B)	**As at March 31, 2020**	As at April 01, 2019	Charge for the year	Deductions/ Adjustments	Exchange Gain/ (Loss)	Asset classified as held for sale (Refer note 37B)	**As at March 31, 2020**	**As at March 31, 2020**	As at March 31, 2020	As at March 31, 2019	As at March 31, 2019
	₹ 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
Brands/Trademarks/ Technical know-how	432.93	1.39	(0.21)	34.65	–	468.76	355.82	3.13	(0.21)	28.29	–	**387.03**	81.73	10.81	77.11	11.14
Computer software	113.98	37.55	(24.20)	4.94	(0.46)	131.81	78.22	8.86	(24.20)	2.73	**(0.28)**	**65.33**	66.48	8.80	35.76	5.17
Total	**546.91**	**38.94**	**(24.41)**	**39.59**	**(0.46)**	**600.57**	**434.04**	**11.99**	**(24.41)**	**31.02**	**(0.28)**	**452.36**	**148.21**	**19.61**	**112.87**	**16.31**
Intangible assets under Development													748.07	98.98	545.76	78.86

Particulars	Gross Block (At Cost)						Accumulated Amortization						Net Block			
	As at April 01, 2018	Additions/ Adjustments	Deductions/ Adjustments	Exchange Gain/ (Loss)	Asset classified as held for sale (Refer note 37B)	As at March 31, 2019	As at April 01, 2018	Charge for the year	Deductions/ Adjustments	Exchange Gain/ (Loss)	Asset classified as held for sale (Refer note 37B)	As at March 31, 2019	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2018
	₹ 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
Brands/Trademarks/ Technical know-how	399.33	15.76	(0.49)	18.33	–	432.93	339.94	4.49	(0.34)	11.73	–	355.82	77.11	11.14	59.39	9.11
Computer software	108.87	1.71	(0.01)	3.41	–	113.98	68.80	7.08	(0.01)	2.35	–	78.22	35.76	5.17	40.07	6.15
Total	**508.20**	**17.47**	**(0.50)**	**21.74**	–	**546.91**	**408.74**	**11.57**	**(0.35)**	**14.08**	–	**434.04**	**112.87**	**16.31**	**99.46**	**15.26**
Intangible assets under Development													545.76	78.86	393.44	60.36

Note: The group has chosen to value the above as per the requirements of IND AS retrospectively as applicable

7. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

Particulars	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million	As at March 31, 2019 ₹ in crore	As at March 31, 2019 USD in million
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 (Transaction Value: ₹ 0.44 Crore; Previous year : ₹ 0.44 Crore)	**0.44**	**0.06**	0.44	0.07
6,300 (Previous year : 6,300) Equity Shares of Bharuch Enviro Infrastructure Limited of ₹ 10 each fully paid up (Transaction Value: ₹ 0.01 Crore; Previous year : ₹ 0.01 Crore)	**0.01**	**–**	0.01	–
Total	**0.45**	**0.06**	0.45	0.07
Aggregate book value of unquoted investments	**0.45**	**0.06**	0.45	0.07

8. NON-CURRENT FINANCIAL ASSETS – OTHERS

Particulars	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million	As at March 31, 2019 ₹ in crore	As at March 31, 2019 USD in million
Margin money (under lien)	**1.76**	**0.23**	1.24	0.18
Deposit with maturity of more than 12 months (under Lien)	**–**	**–**	0.16	0.02
Security Deposits	**44.26**	**5.86**	37.18	5.37
(includes deposits with Related parties ₹ 35.26 crore (Previous year : ₹ 32.96 crore) - Refer Note 38				
Total	**46.02**	**6.09**	38.58	5.57

9. INCOME TAX

Tax recognised in profit or loss for continuing operations

Particulars	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2019 ₹ in crore
Current tax charge/(credit)	**(48.42)**	(41.93)
Current tax charge pertaining to earlier years	**3.69**	–
Deferred tax charge/(credit), net	**–**	–
Origination and reversal of temporary differences including Minimum Alternate Tax (MAT) credit entitlement	**(161.75)**	(63.43)
Deferred tax charge/(credit) pertaining to earlier years	**21.36**	(4.90)
Recognition of previously unrecognised tax losses	**(5.18)**	(24.65)
Change in tax rate	**(13.78)**	0.15
Deferred tax charge/(credit)	**(159.36)**	(92.83)
Tax charge/(credit) for the year	**(204.09)**	(134.76)

Tax recognised in profit or loss for discontinued operations

Particulars	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2019 ₹ in crore
Current tax charge/(credit)	**50.80**	51.10
Deferred tax charge/(credit)	**–**	–
Tax charge/(credit) for the year	**50.80**	51.10

Tax recognised in other comprehensive income- continuing operations

Particulars	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2019 ₹ in crore
Items that will not be reclassified to profit or loss		
Remeasurement of the defined benefit plans -(charge)/credit	**(3.45)**	(0.11)
Total	**(3.45)**	(0.11)

Tax recognised in other comprehensive income - discontinued operations

Particulars	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2019 ₹ in crore
Items that will not be reclassified to profit or loss		
Remeasurement of the defined benefit plans -(charge)/credit	**0.06**	0.37
Total	**0.06**	0.37

Reconciliation of effective tax rate - Continuing Operations

Particulars	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2019 ₹ in crore
Profit/(Loss) before tax (a)	**(342.04)**	(446.55)
Tax using the Company's domestic tax rate (Current year : 34.944% and Previous year : 34.944%)	**(119.52)**	(156.04)
Differences in tax rates of foreign jurisdictions/tax status and intercompany adjustments	**(37.98)**	56.37
Deferred tax charge/(credit) pertaining to earlier years	**21.36**	(4.90)
Current tax charge pertaining to earlier years	**3.69**	–
Impact of changes in tax rates during the year	**(13.78)**	0.15
Non-deductible tax expenses	**10.04**	11.92
Tax deductible expenses	–	(2.13)
Current-year losses for which no deferred tax asset is recognised	**1.13**	9.87
Incremental deduction allowed for research and development costs	**(12.53)**	(19.74)
Recognition of previously unrecognised tax losses	**(5.18)**	(24.65)
Income not taxable for tax purposes	**(4.81)**	(4.76)
Additional tax benefit due to change in tax laws	**(47.30)**	–
Other temporary differences	**0.79**	(0.85)
Tax expense as per profit or loss (b)	**(204.09)**	(134.76)
Effective average tax rate for the year (b)/(a)	**59.67%**	30.18%

Reconciliation of effective tax rate - Discontinued Operations

Particulars	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2019 ₹ in crore
Profit/(Loss) before tax (a)	**145.36**	146.23
Tax using the Company's domestic tax rate (Current year: 34.944% and Previous year : 34.944%)	**50.80**	51.10
Tax expense as per profit or loss (b)	50.80	51.10
Effective average tax rate for the year (b)/(a)	**34.94%**	34.94%

The effective tax rate for the year ended March 31, 2020 has been impacted mainly due to difference in tax rates of various tax jurisdictions and additional tax incentive as a result of change in Swiss law. Further deferred tax asset is created on tax benefit available in future years.

Deferred tax assets and liabilities are attributable to the followings:

Particulars	Deferred tax assets		Deferred tax (liabilities)	
	As at March 31, 2020 ₹ in crore	As at March 31, 2019 ₹ in crore	As at March 31, 2020 ₹ in crore	As at March 31, 2019 ₹ in crore
Property, Plant and Equipment	**(275.46)**	(256.65)	**(48.57)**	(47.57)
Unabsorbed losses	**376.94**	254.27	**–**	–
Unrealised profit on inventory	**15.25**	20.88	**–**	0.40
Employee benefits	**21.36**	24.63	**0.05**	–
Deferred income/expenses	**19.32**	22.01	**–**	–
Additional tax benefit due to change in tax laws	**50.31**	–	**–**	–
Allowance for credit loss	**44.82**	35.42	**0.02**	0.02
Lease arrangement	**8.57**	–	**–**	–
Loans and Borrowings	**(6.42)**	(2.74)	**–**	–
Other items	**7.70**	8.42	**(0.86)**	0.90
Minimum Alternate Tax (MAT) credit entitlement	**167.03**	167.03	**18.11**	15.18
Deferred tax assets/(liabilities)	**429.42**	273.27	**(31.25)**	(31.07)
Deferred tax assets/(liabilities) (USD in million)	**56.82**	39.49	**(4.13)**	(4.49)

Movement in deferred tax assets and liabilities

Particulars	Net balance April 01, 2019	Recognised in Profit or Loss		Recognised in Other Comprehensive Income		March 31, 2020		
		Continuing Operations	Discontinued Operations	Continuing Operations	Discontinued Operations	Net Deferred tax asset/ (liability)	Deferred tax asset	Deferred tax liability
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Deferred tax asset/(liabilities)								
Property, Plant and Equipment	(304.22)	(19.81)	–	–	–	(324.03)	–	(324.03)
Unabsorbed losses	254.27	122.67	–	–	–	376.94	376.94	–
Unrealised profit on inventory	21.28	(6.03)	–	–	–	15.25	15.25	–
Employee benefits	24.63	0.17	–	(3.45)	0.06	21.41	21.41	–
Deferred income/expenses	22.01	(2.69)	–	–	–	19.32	19.32	–
Additional tax benefit due to change in tax laws	–	50.31	–	–	–	50.31	50.31	–
Allowance for credit loss	35.44	9.40	–	–	–	44.84	44.84	–
Lease liabilities	–	8.57	–	–	–	8.57	8.57	–
Loans and Borrowings	(2.74)	(3.68)	–	–	–	(6.42)	–	(6.42)
Other items	9.32	(2.48)	–	–	–	6.84	6.84	–
Tax assets/(Liabilities)	59.99	156.43	–	(3.45)	0.06	213.03	543.48	(330.45)
Minimum Alternate Tax (MAT) credit entitlement	182.21	2.93	–	–	–	185.14	185.14	–
Net tax assets/(Liabilities)	242.20	159.36	–	(3.45)	0.06	398.17	728.62	(330.45)
Net tax assets/(Liabilities) (USD in million)	35.00	21.09	–	(0.46)	0.01	52.69	96.40	(43.72)

Particulars	Net balance April 01, 2018	Recognised in Profit or Loss		Recognised in Other Comprehensive Income		March 31, 2019		
		Continuing Operations	Discontinued Operations	Continuing Operations	Discontinued Operations	Net Deferred tax asset/ (liability)	Deferred tax asset	Deferred tax liability
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Deferred tax asset/(liabilities)								
Property, Plant and Equipment	(301.92)	(2.30)	–	–	–	(304.22)	–	(304.22)
Unabsorbed losses	144.54	109.73	–	–	–	254.27	254.27	–
Unrealised profit on inventory	26.89	(5.61)	–	–	–	21.28	21.28	–
Employee benefits	28.90	(4.53)	–	(0.11)	0.37	24.63	24.63	–
Deferred income/expenses	37.61	(15.60)	–	–	–	22.01	22.01	–
Allowance for credit loss	36.99	(1.55)	–	–	–	35.44	35.44	–
Other items	(1.76)	8.34	–	–	–	6.58	6.58	–
Tax assets/(Liabilities)	(28.75)	88.48	–	(0.11)	0.37	59.99	364.21	(304.22)
Minimum Alternate Tax (MAT) credit entitlement	177.86	4.35	–	–	–	182.21	182.21	–
Net tax assets/(Liabilities)	149.11	92.83	–	(0.11)	0.37	242.20	546.42	(304.22)
Net tax assets/(Liabilities) (USD in million)	22.88	13.41	–	(0.02)	0.05	35.00	78.95	(43.96)

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.

ii) Aggregate carried forward tax losses for which no deferred tax has been created, with respect to the subsidiaries amounted to ₹ 158.35 crore (Previous year : ₹ 149.30 crore). These tax losses are available for set off against future taxable profits, without any limitation of the number of years for set off.

iii) Minimum Alternative Tax (MAT) credit balance amounts to ₹ 185.14 crore (Previous year : ₹ 182.21 crore). The Company is reasonably certain of availing the said MAT credit in future years against the normal tax expected to be paid in those years.

iv) Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

v) Given that the Company does not have any intention to dispose the land on an individual basis, hence deferred tax asset on the indexation benefit on land has not been recognised.

vi) 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.

10. OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million	As at March 31, 2019 ₹ in crore	As at March 31, 2019 USD in million
Capital Advances	**4.52**	**0.60**	5.16	0.75
Security Deposits (Refer note 10.1 below)	**12.94**	**1.71**	13.38	1.93
Other advances (Refer note 10.2 below)	**49.96**	**6.61**	82.33	11.89
Total	**67.42**	**8.92**	100.87	14.57

The above amounts are net of provision amounting ₹ 6.85 crore (Previous year : ₹ 6.85 crore)

Note 10.1

Includes balances with Government authorities amounting ₹ 11.08 crore (Previous year : ₹ 10.98 crore)

Note 10.2

Includes advance rent with related parties ₹ Nil (Previous year : ₹ 18.00 crore) , and balances with Government authorities amounting ₹ 49.29 crore (Previous year : ₹ 52.18 crore)

11. INVENTORIES

Particulars	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million	As at March 31, 2019 ₹ in crore	As at March 31, 2019 USD in million
Raw Materials, packing materials and components	**261.54**	**34.60**	292.97	42.33
Goods-in-transit	**5.69**	**0.75**	4.87	0.70
	267.23	**35.35**	297.84	43.03
Work-in-progress	**75.85**	**10.04**	50.90	7.35
Stock-in-trade	**85.32**	**11.29**	144.45	20.87
Goods-in-transit	**–**	**–**	4.67	0.67
	85.32	**11.29**	149.12	21.54
Finished goods	**192.63**	**25.49**	255.17	36.87
Stores and spares	**68.80**	**9.10**	66.33	9.57
Total	**689.83**	**91.27**	819.36	118.36

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 (₹ 4.21) crore (Previous year : ₹ 23.52 crore). These have been (reversed)/ recognised 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 37 ₹ 0.19 crore (Previous year : ₹ 0.56 crore)

12. CURRENT FINANCIAL ASSETS-TRADE RECEIVABLES

Particulars	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million	As at March 31, 2019 ₹ in crore	As at March 31, 2019 USD in million
Secured considered good	**–**	**–**	–	–
Unsecured, considered good	**1,328.62**	**175.79**	1,343.30	194.10
Less: Allowance for credit loss	**(85.93)**	**(11.37)**	(69.40)	(10.03)
Unsecured considered doubtful	**94.48**	**12.50**	80.86	11.68
Total	**1,337.17**	**176.92**	1,354.76	195.75
Less: Provisions for Doubtful Debts	**(94.48)**	**(12.50)**	(80.86)	(11.68)
Total	**1,242.69**	**164.42**	1,273.90	184.07

Trade receivables include dues from private companies in which any director is a director or a member ₹ 2.26 crore (Previous year : ₹ 1.50 crore). [Also refer Note 41 for information about credit risk and market risk of trade receivables].

13.1 CURRENT FINANCIAL ASSETS-CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million	As at March 31, 2019 ₹ in crore	As at March 31, 2019 USD in million
Balances with banks				
In current accounts	**219.29**	**29.01**	327.13	47.27
Demand deposits (less than 3 months maturity)	**–**	**–**	70.14	10.13
	219.29	**29.01**	397.27	57.40
Cash on hand	**0.05**	**0.01**	0.07	0.01
	219.34	**29.02**	397.34	57.41

13.2 CURRENT FINANCIAL ASSETS-OTHER BANK BALANCES

Deposits with original maturity of more than 3 months but less than 12 months	**0.01**	**–**	–	–
Deposits with original maturity equal to 12 months (under lien - ₹ 0.01 crore; Previous year : ₹ Nil)	**0.01**	**–**	0.11	0.02
Deposits with original maturity of more than 12 months (under lien - ₹ 45.71 crore; Previous year : ₹ 45.66 crore)	**45.71**	**6.05**	45.66	6.60
Margin money (under lien)	**1.16**	**0.15**	3.63	0.52
Unpaid dividend accounts	**2.23**	**0.30**	1.91	0.28
Total	**49.12**	**6.50**	51.31	7.42

14. CURRENT FINANCIAL ASSETS-OTHERS

(Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million	As at March 31, 2019 ₹ in crore	As at March 31, 2019 USD in million
Deposits and other receivables	**8.85**	**1.17**	20.18	2.92
Total	**8.85**	**1.17**	20.18	2.92

15. OTHER CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million	As at March 31, 2019 ₹ in crore	As at March 31, 2019 USD in million
Advances to suppliers (Refer note 15.2 below)	**22.04**	**2.92**	33.90	4.90
Balances with / receivable from statutory / government authorities	**99.31**	**13.13**	174.84	25.26
Other advances (Refer note 15.3 below)	**42.01**	**5.56**	43.82	6.33
Total	**163.36**	**21.61**	252.56	36.49

Note 15.1

The above amounts are net of provisions amounting ₹ 25.14 crore (Previous year- ₹ 23.88 crore)

Note 15.2

Advances to suppliers include dues from private companies in which any director is a director or a member ₹ 0.49 crore (Previous year : ₹ 0.36 crore).

Note 15.3

Other advances includes amounts pertaining to related parties ₹ Nil (Previous year: ₹ 2.53 crore).

16. EQUITY SHARE CAPITAL

(a) Authorised share capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	₹ in crore	USD in million	₹ in crore	USD in million
250,000,000 (Previous Year - 250,000,000) Equity shares of ₹ 5/- each	**125.00**	**16.54**	125.00	18.06
	125.00	**16.54**	125.00	18.06

(b) Issued, Subscribed and Paid up

Particulars	As at March 31, 2020			As at March 31, 2019		
	No. of Shares	₹ in crore	USD in million	No. of Shares	₹ in crore	USD in million
Equity :						
Outstanding as at the beginning of the Year	**110,686,203**	55.34	7.32	110,630,453	55.32	7.99
Add: Shares issued during the year pursuant to ESOS	**48,800**	0.03	0.00	55,750	0.02	0.00
Outstanding as at the end of the year	**110,735,003**	55.37	7.32	110,686,203	55.34	7.99

a) 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.

b) **Shares reserved for issue under options:**

621,250 (Previous year - 599,300) equity shares of face value ₹ 5 each have been reserved for issue under Wockhardt Stock Option Scheme -2011.

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

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Themisto Trustee Company Private Limited which holds these shares in its capacity as the trustee of Habil Khorakiwala Trust which in turn holds these shares in its capacity as the partner of the partnership firm Humuza Consultants.*	**60,497,757**	**54.63%**	60,497,757	54.66%

* includes 29,650,000 Equity Shares (Previous year - 1,250,000) pledged

17. NON-CURRENT FINANCIAL LIABILITY-BORROWINGS

Particulars	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million	As at March 31, 2019 ₹ in crore	As at March 31, 2019 USD in million
Secured				
Term Loans:				
from banks / financial institutions (Refer Note 17.1 to 17.4 below)	**1,237.44**	**163.73**	1,653.25	238.88
	1,237.44	**163.73**	1,653.25	238.88
Unsecured				
Loans from Department of Science and Technology, Government of India ['GOI'] (Refer note 17.5 below)	**3.46**	**0.46**	4.27	0.62
Preference share (Refer note 17.7 below)	**–**	**–**	233.95	33.80
Total	**1,240.90**	**164.19**	1,891.47	273.30

Note 17.1

The term loan of USD 40.00 million (Previous year - USD 60.00 million) amounting to ₹ 302.32 crore (Previous year - ₹ 415.25 crore) is secured by first charge on pari passu basis on fixed assets, present and future, located at all locations other than Units at Baddi in Himachal Pradesh and Kadaiya in Daman. This term loan carries interest rate of 6 months USD LIBOR plus 325 BPS p.a. and is repayable in 8 equal quarterly instalments by April 2022.

The term loan of ₹ 125.00 crore (Previous year - ₹ 175.00 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 Units at Baddi in Himachal Pradesh and Kadaiya in Daman. This term loan carries interest rate at Bank Base Rate plus 75 BPS p.a. and is repayable in 5 equal half yearly instalments by June 2022.

The term loan of ₹ 150.00 Crore (Previous year - ₹ 187.50 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 Units at Baddi in Himachal Pradesh and Kadaiya in Daman. This term loan carries interest rate at One Year's MCLR plus 185 BPS p.a and is repayable in 12 equal quarterly instalments by March 2023.

Further, the term loan of ₹ 160 Crore (Previous year : ₹ 200 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 Units at Baddi in Himachal Pradesh and Kadaiya in Daman. This term loan carries interest rate at One Year's MCLR plus 110 BPS and is repayable in 16 equal quarterly instalments by March 2024.

Note 17.2

Term loan availed by Wockhardt France (Holdings) S.A.S. of Euro 13.64 million (Previous year : Euro 27.28 million) amounting to ₹ 112.97 crore (Previous year : ₹ 211.83 crore) is secured by pledge of shares of Negma Group of companies. The loan carries interest of 6 months EURO LIBOR plus 175 BPS p.a. and is repayable in 2 half yearly instalments by November 2020.

Note 17.3

Term Loan availed by Pinewood Laboratories Limited of Euro 35 million (Previous year: NIL) amounting to ₹ 289.87 crore (Previous year: NIL) 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 1.75 million each commencing from December 2020 and balance outstanding in December 2024

Note 17.4

Term Loan availed by Wockhardt Bio AG of USD 125 million (Previous year: USD 187.50 million) amounting to ₹ 944.75 crore (Previous year : ₹ 1297.64 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 Baddi in Himachal Pradesh and on Fixed Deposits of ₹ 45 crores (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. is repayable in 4 equal half yearly installments by December 2021.

Note 17.5

Loans from GOI with interest rate of 3% p.a. is repayable in 10 equal annual instalments. Loan amounting ₹ 0.85 crore (Previous year: ₹ 1.27 crore) is repayable by October 2021 and balance ₹ 3.80 crore (Previous year : ₹ 3.80 crore) is repayable by March 2029. Loan amounting ₹ 0.19 crore was repaid in June 2019.

Note 17.6

Current maturities of the above borrowings have been disclosed under Note 21.

Note 17.7 Preference Share

Details of Preference Share

Particulars	As at March 31, 2020 No. of Shares	As at March 31, 2019 No. of Shares
Authorised		
Preference shares of ₹ 5/- each	**2,000,000,000**	2,000,000,000
Issued, Subscribed & Paid up		
Optionally Convertible Cumulative Redeemable Preference shares (OCCRPS) of ₹ 5/- each fully paid up :		
Shares outstanding as at the beginning of the year	**–**	121,454,927
Add: Shares issued during the Year		–
Less: Shares redeemed during the year	**–**	(121,454,927)
Shares outstanding as at the end of the year	**–**	–
Non-Convertible Cumulative Redeemable Preference shares (NCRPS) of ₹ 5/- each fully paid up:		
Shares outstanding as at the beginning of the year	**160,000,000**	475,659,941
Add: Shares issued during the Year	**–**	–
Less: Shares redeemed during the year	**–**	(315,659,941)
Shares outstanding as at the end of the year	**160,000,000**	160,000,000
Non-Convertible Non-Cumulative Redeemable Preference shares (NCCRPS) of ₹ 5/- each fully paid up:		
Shares outstanding as at the beginning of the year	500,000,000	–
Add: Shares issued during the Year	–	500,000,000
Less: Shares redeemed during the year	–	–
Shares outstanding as at the end of the year	500,000,000	500,000,000

Note 17.7 (i)

During the year ended March 31, 2020, the Company has extended the redemption period by a year from existing redemption period on March 31, 2020 to March 31, 2021 of 160,000,000, 0.01% Non-Convertible Cumulative Redeemable Preference Shares (NCRPS Series 5) together with the redemption premium amounting to ₹ 99. 84 crore, held by the Promoter Group with a right to earlier redemption by giving one month notice by the either parties. Premium of 8% p.a. shall be payable for the extended period upto the date of redemption on the redemption value . The redemption of these preference shares amounting to ₹ 99.84 crore were also extended during the previous year from March 31, 2019 to March 31, 2020 with a similar right of to earlier redemption by giving one month notice by either parties post June 30, 2020. The premium of 4% p.a during the previous year , was payable for the extended period upto redemption on the redemption value . Also refer Note 19 and 21.

Note 17.7 (ii)

During the previous year, the Company had allotted 500,000,000 4% Non-Convertible Non-Cumulative Redeemable Preference Shares ('NCCRPS') of Face Value of ₹ 5/- each, at par, on preferential basis, to the Promoter Group for an aggregate amount of ₹ 250 crore in accordance with the approval of the Shareholders of the Company obtained on December 14, 2018.

These shares are redeemable at par on December 20, 2020, with an option of early redemption given to the Company after the expiry of 6 months from the allotment date.

Effective interest rate on the above preference shares used for discounting is 9.71%

Note 17.7 (iii)

During the previous year, the Company had redeemed out of the proceeds of fresh issue of 4% Non-Convertible Non-Cumulative Redeemable Preference Shares ('NCCRPS') referred above, (i) 121,454,927 Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS Series 2) of Face value of ₹ 5 each; and (ii) 315,659,941 Non-Convertible Cumulative Redeemable Preference Shares (NCRPS Series 2 and Series 3) of Face value of ₹ 5 each, as per terms and conditions of the said Preference Shares, on its due date of redemption i.e. December 31, 2018. The redemption amount was ₹ 271.34 crore (including redemption premium of ₹ 52.78 crore).

18. PROVISIONS (NON-CURRENT)

Particulars	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million	As at March 31, 2019 ₹ in crore	As at March 31, 2019 USD in million
Provision for employee benefits (Refer note 34)				
Leave encashment(unfunded)	**15.71**	**2.08**	17.35	2.51
Gratuity (unfunded)	**24.17**	**3.20**	26.91	3.89
Provision for pension/other benefits	**5.72**	**0.76**	9.22	1.33
Total	**45.60**	**6.04**	53.48	7.73

19. CURRENT FINANCIAL LIABILITIES - BORROWINGS

Particulars	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million	As at March 31, 2019 ₹ in crore	As at March 31, 2019 USD in million
SECURED				
Loans repayable on demand				
Working capital facilities from banks (Refer Note 19.1 below)	**558.19**	**73.85**	542.27	78.35
Other Loans				
Buyers' credit/ Supplier's credit (Refer Note 19.2 below)	**9.56**	**1.26**	19.44	2.81
Unsecured				
Loan from related party (Refer Note 19.4 below)	**236.27**	**31.26**	–	–
Preference shares (Refer Note 17.7)	**99.84**	**13.21**	–	–
Total	**903.86**	**119.58**	561.71	81.16

Note 19.1

Working capital facilities from Banks are secured by way of :

(i) First charge on pari passu basis on present and future stock of raw materials, consumables, spares, semi-finished goods, finished goods, book debts and other current assets.

(ii) Second charge on pari passu basis by way of mortgage of immovable properties and hypothecation of movable fixed assets, both present and future, located at all locations (other than Units at Baddi in Himachal Pradesh and Kadaiya in Daman).

Note 19.2

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 Units at Baddi in Himachal Pradesh and Kadaiya in Daman.

Note 19.3

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

Note 19.4

Loans from related parties carrying interest rate in the range of 8% p.a to 8.5% p.a carry a tenure of I year and subject to rollover by mutual consent.

20. CURRENT FINANCIAL LIABILITY-TRADE PAYABLES

Particulars	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million	As at March 31, 2019 ₹ in crore	As at March 31, 2019 USD in million
Trade Payables				
Total outstanding dues of micro enterprises and small enterprises	**34.89**	**4.62**	78.84	11.39
Total outstanding dues of creditors other than micro enterprises and small enterprises	**860.38**	**113.84**	761.40	110.02
Total	**895.27**	**118.46**	840.24	121.41

Particulars	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million	As at March 31, 2019 ₹ in crore	As at March 31, 2019 USD in million
Note 20.1 Details of dues to micro, small and medium enterprises as per MSMED Act, 2006:				
(a) Principal amount due to suppliers under MSMED Act, 2006	**34.89**	**4.62**	78.84	11.39
(b) Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	**0.11**	**0.01**	3.80	0.55
(c) Payment made to suppliers (other than interest) beyond the appointed day during the year	**10.01**	**1.32**	102.19	14.77
(d) Interest paid to suppliers under MSMED Act (Section 16)	**–**	**–**	–	–
(e) Interest due and payable towards suppliers under MSMED Act for payments already made	**13.64**	**1.80**	9.84	1.42
(f) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (including interest mentioned in (e) above)	**13.75**	**1.82**	13.64	1.97

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

21. CURRENT FINANCIAL LIABILITY-OTHERS

Particulars	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million	As at March 31, 2019 ₹ in crore	As at March 31, 2019 USD in million
Current maturities of long-term debt (Refer note 17 and note 38)	**1,068.47**	**141.37**	921.42	133.14
Unpaid dividends	**2.23**	**0.30**	1.91	0.28
Other payables				
Security Deposit	**19.64**	**2.60**	19.68	2.84
Employee liabilities	**146.95**	**19.44**	88.32	12.76
Payable for capital goods	**19.46**	**2.57**	26.58	3.84
Others liabilities (includes interest under MSMED Act referred in Note 20.1)	**131.18**	**17.36**	225.65	32.62
Total	**1,387.93**	**183.64**	1,283.56	185.48

22. OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million	As at March 31, 2019 ₹ in crore	As at March 31, 2019 USD in million
Payable for statutory dues	**85.23**	**11.28**	49.12	7.10
Advance received from customers against supplies	**32.71**	**4.33**	20.41	2.95
Total	**117.94**	**15.61**	69.53	10.05

23. PROVISIONS (CURRENT)

Particulars	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million	As at March 31, 2019 ₹ in crore	As at March 31, 2019 USD in million
Provision for employee benefits (Refer note 34)				
Leave Encashment (unfunded)	**4.18**	**0.55**	8.03	1.16
Gratuity (unfunded)/Pension and other benefits	**1.83**	**0.24**	17.23	2.49
	6.01	**0.79**	25.26	3.65
Other provisions				
Provision for sales return (Refer note 23.1 below)	**47.95**	**6.34**	29.88	4.32
Provision for medicaid rebates (Refer note 23.2 below)	**63.32**	**8.38**	47.29	6.83
Total	**117.28**	**15.51**	102.43	14.80
Note 23.1				
Movement of provision for sales return				
Opening Balance	**29.88**	**3.95**	28.93	4.18
Recognised during the year	**52.82**	**6.99**	47.53	6.87
Utilised during the year	**(36.18)**	**(4.79)**	(47.38)	(6.85)
Foreign currency translation	**1.43**	**0.19**	0.80	0.12
Closing Balance	**47.95**	**6.34**	29.88	4.32

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

Particulars	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million	As at March 31, 2019 ₹ in crore	As at March 31, 2019 USD in million
Note 23.2				
Movement of provision for Medicaid rebates				
Opening Balance	**47.29**	**6.26**	30.94	4.47
Recognised during the year	**40.04**	**5.30**	36.57	5.28
Utilised during the year	**(29.06)**	**(3.84)**	(21.97)	(3.17)
Foreign currency translation	**5.05**	**0.66**	1.75	0.25
Closing Balance	**63.32**	**8.38**	47.29	6.83

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

24. REVENUE FROM CONTINUING OPERATIONS (REFER NOTE 36)

Particulars	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2020 USD in million	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2019 USD in million
Sale of products	**2,819.34**	**373.03**	3,508.37	506.93
Sale of services	**0.04**	**0.01**	0.08	0.01
Sale of intellectual property	**13.65**	**1.81**	38.95	5.63
Other operating income - export incentives	**10.96**	**1.45**	18.44	2.66
Total	**2,843.99**	**376.30**	3,565.84	515.23

25. OTHER INCOME

Particulars	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2020 USD in million	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2019 USD in million
Interest income	**9.99**	**1.32**	17.54	2.53
Dividend received*	**–**	**–**	–	–
* ₹ 12,600 (Previous year- ₹ 12,600)				
Other non-operating income (Refer note below)	**28.82**	**3.81**	3.48	0.50
Total	**38.81**	**5.13**	21.02	3.03

Note:

Other non-operating income includes:
Liabilities no more payable of ₹ 20.77 crore (Previous year: ₹ 1.06 crore).

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

Particulars	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2020 USD in million	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2019 USD in million
Opening Inventories				
Finished goods	**255.17**	**33.76**	279.20	40.34
Stock in trade	**149.12**	**19.73**	148.06	21.39
Work-in-progress	**50.90**	**6.73**	69.29	10.01
Less: Discontinued operation	**(22.13)**	**(2.93)**	(33.20)	(4.80)
Total	**433.06**	**57.29**	463.35	66.94
Closing Inventories				
Finished goods	**192.63**	**25.49**	255.17	36.87
Stock in trade	**85.32**	**11.29**	149.12	21.55
Work-in-progress	**75.85**	**10.04**	50.90	7.35
Less: Discontinued Operation	**–**	**–**	(22.30)	(3.22)
Add: Adjustment for Sales Return	**5.23**	**0.69**	–	–
Total	**359.03**	**47.51**	432.89	62.55
Decrease in Inventories	**74.03**	**9.78**	30.46	4.39

27. EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2020 USD in million	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2019 USD in million
Salaries and wages (Refer note 34)	**646.63**	**85.56**	690.42	99.76
Contribution to provident and other funds (Refer note 34)	**67.65**	**8.95**	72.49	10.47
Share based payments to employees (Refer note 35)	**2.26**	**0.30**	1.58	0.23
Staff welfare expenses	**26.79**	**3.54**	35.89	5.19
Total	**743.33**	**98.35**	800.38	115.65

28. FINANCE COSTS

Particulars	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2020 USD in million	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2019 USD in million
Interest expense				
On term loan	**184.23**	**24.38**	196.96	28.46
On lease liabilities	**34.36**	**4.55**	–	–
Others	**98.51**	**13.03**	95.55	13.80
Other borrowing costs	**5.58**	**0.74**	4.01	0.58
Net loss on foreign currency transactions and translation	**0.52**	**0.07**	0.79	0.11
	323.20	**42.77**	297.31	42.95
Less: Finance costs capitalised*	**(47.46)**	**(6.28)**	(32.17)	(4.64)
*weighted average capitalisation rate- 5.02% (Previous year: 5.27%)				
Total	**275.74**	**36.49**	265.14	38.31

29. OTHER EXPENSES

Particulars	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2020 USD in million	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2019 USD in million
Traveling and conveyance	**37.41**	**4.95**	57.21	8.27
Freight and forwarding charges	**78.72**	**10.42**	86.18	12.45
Sales promotion and other selling cost	**35.33**	**4.67**	54.81	7.92
Commission on sales	**27.13**	**3.59**	35.23	5.09
Power and fuel	**85.41**	**11.30**	93.30	13.48
Stores and spare parts consumed	**39.26**	**5.19**	46.17	6.67
Chemicals	**14.35**	**1.90**	23.60	3.41
Rent	**27.05**	**3.58**	90.35	13.05
Rates and taxes	**18.78**	**2.48**	12.54	1.81
Repairs to buildings	**4.56**	**0.60**	11.69	1.69
Repairs to Plant and machinery	**22.31**	**2.95**	31.29	4.52
Repairs and Maintenance - others	**36.70**	**4.86**	37.51	5.42
Insurance	**22.37**	**2.96**	24.39	3.52
Legal and professional fees	**80.03**	**10.59**	193.20	27.92
Directors' sitting fees (Refer note 38)	**0.91**	**0.12**	0.86	0.12
Material for test batches	**3.72**	**0.49**	3.50	0.51
Miscellaneous expenses (Refer Note 46 and Note 47)	**265.41**	**35.12**	340.44	49.19
Total	**799.45**	**105.77**	1,142.27	165.04

30. 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, 2020 ₹ in crore	For the year ended March 31, 2020 USD in million	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2019 USD in million
Profit/(loss) attributable to equity holders of the Company from Continuing Operations	**(163.78)**	**(21.67)**	(289.66)	(41.85)
Profit/(loss) attributable to equity holders of the Company from Discontinued Operations	**94.56**	**12.51**	95.13	13.75
Profit/(loss) attributable to equity holders of the Company	**(69.22)**	**(9.16)**	(194.53)	(28.11)

Reconciliation of number of equity shares

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2019
Weighted average number of shares in calculating Basic EPS	**11,07,18,437**		11,06,63,343	
Add: Weighted average number of shares under ESOS	**4,91,427**		5,75,699	
Weighted average number of equity shares in calculating diluted EPS	**11,12,09,864**		11,12,39,042	
Earnings per share (face value ₹ 5/- each) from Continuing operations				
Earnings per share - Basic in ₹/USD	**(14.79)**	**(0.20)**	(26.17)	(0.38)
Earnings per share - Diluted in ₹/USD	**(14.79)**	**(0.20)**	(26.17)	(0.38)
Earnings per share (face value ₹ 5/- each) from Discontinued operations				
Earnings per share - Basic in ₹/USD	**8.54**	**0.11**	8.60	0.12
Earnings per share - Diluted in ₹/USD	**8.50**	**0.11**	8.55	0.12
Earnings per share (face value ₹ 5/- each)				
Earnings per share - Basic in ₹/USD	**(6.25)**	**(0.08)**	(17.58)	(0.25)
Earnings per share - Diluted in ₹/USD	**(6.25)**	**(0.08)**	(17.58)	(0.25)

31. SEGMENT REPORTING

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

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

Information about reportable segments:

	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2020 USD in million	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2019 USD in million
External revenue from continuing operation in the above reportable business segment	**2,843.99**	**376.30**	3,565.84	515.23

Information about geographical areas:

(a) Revenue from continuing operation from external customers:

	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2020 USD in million	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2019 USD in million
India	**402.38**	**53.25**	921.59	133.15
USA	**733.60**	**97.06**	794.31	114.77
Europe	**1161.24**	**153.64**	1310.53	189.36
Rest of the world and CIS	**546.77**	**72.35**	539.41	77.95
Total	**2,843.99**	**376.30**	3,565.84	515.23

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 and deferred tax assets)

	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million	As atd March 31, 2019 ₹ in crore	As at March 31, 2019 USD in million
India	**2,505.74**	**331.53**	2315.72	334.61
USA	**422.48**	**55.90**	394.54	57.01
Europe	**1,932.30**	**255.66**	1662.50	240.22
Rest of the world and CIS	**293.72**	**38.87**	231.52	33.44
Total	**5,154.24**	**681.95**	4,604.28	665.28

(c) Information about major customer:

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

32. LEASES

Effective April 1, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 01, 2019 using the modified retrospective method. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at value equal to the lease liability subject to the adjustments for prepayments and accruals and also the Group has also not restated the comparative information . For leases classified as finance lease, the carrying value of the lease asset and lease liability as at April 01, 2019, has been carried forward without change under the new standard. Consequent to the new standard, the Group has reported Right-of-Use assets amounting ₹ 683.24 crore (including reclassification of Lease hold land) and Lease liability amounting to ₹ 397.93 crore as on April 01, 2019.

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

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

	₹ in crore
Non -current portion	306.52
Current	62.51
	369.03

The weighted average incremental borrowing rate used for discounting is in the range of 3.37% to 9.65%

Refer Note 28 for interest on lease liabilities

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

(1) 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.

(2) The Group has applied Ind AS 116 only to contracts that were previously identified as leases under Ind AS 17.

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 lease

Rental expenses on leases for a period of less than 12 months amounting to ₹ 0.35 crore and rent for low value assets amounting to ₹ 0.50 crore have been included under Note 29 - Other expenses under Rent.

During previous year, annual commitments disclosed for lease payments under non-cancellable operating leases for less than one year amounted to ₹ 75.89 crore, more than one year but less than 5 years ₹ 14.77 crore and more than 5 years ₹ 10.73 crores. The estimated lease period under Ind AS 116 for the aforesaid leases however have been revised, discounted and accounted for as per requirements of the aforesaid standard. Further, refer Note 41 for maturity profile of lease liabilities.

33. EXPENDITURE ON RESEARCH AND DEVELOPMENT

	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2020 USD in million	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2019 USD in million
Capital*	146.02	19.32	156.42	22.60
Revenue	208.09	27.53	290.86	42.03
Total	354.11	46.85	447.28	64.63

*Including Intangible Assets under Development

34. 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	For the year ended March 31, 2020 Gratuity (Non-funded) ₹ in crore	For the year ended March 31, 2019 Gratuity (Non-funded) ₹ in crore
I. Expenses recognised in Profit or Loss:		
1. Current Service Cost	3.24	3.29
2. Interest cost	2.16	2.47
3. Past service cost	–	–
Total Expenses (1)	5.40	5.76
(1) balances pertaining to discontinued operations: Gratuity ₹ 1.79 crore (Previous year- ₹ 2.10 crore)		
II. Expenses/(credit) recognised in Other Comprehensive income:		
1. Actuarial changes arising from changes in demographic assumptions	(0.40)	–
2. Actuarial changes arising from changes in financial assumptions	(5.25)	0.39
3. Actuarial changes arising from changes in experience adjustments	(0.20)	1.47
Total Expenses(2)	(5.85)	1.86
(2) balances pertaining to discontinued operations: Gratuity ₹ 0.17 crore (Previous year- ₹ 1.06 crore)		

(A)	Particulars	For the year ended March 31, 2020 Gratuity (Non-funded) ₹ in crore	For the year ended March 31, 2019 Gratuity (Non-funded) ₹ in crore
III.	**Net Asset/(Liability) recognised as at balance sheet date:**		
1.	Present value of defined benefit obligation	**32.95**	37.62
	Net Asset/(Liability) *	**(32.95)**	(37.62)
	* includes Balance pertaining to discontinued operations classified as Liabilities held for sale ₹ 6.95 crore in current year		
IV.	**Reconciliation of Net Asset/(Liability) recognised as at balance sheet date:**		
1.	Net Asset/(Liability) at the beginning of year	**(37.62)**	(34.38)
2.	Expense as per (I) & (II) above	**0.45**	(7.62)
3.	Balance pertaining to discontinued operations classified as Liabilities held for sale	**–**	–
4.	Benefit paid	**4.22**	4.38
5.	Net asset/(liability) at the end of the year	**(32.95)**	(37.62)
V.	**Maturity profile of defined benefit obligation**		
1.	Within the next 12 months (next annual reporting period)	**14.64**	10.71
2.	Between 2 and 5 years	**14.29**	22.22
3.	Between 6 and 10 years	**7.80**	9.60
4.	Beyond 10 years	**–**	3.16
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 (continuing and discontinued operations)**		
(i)	0.5% point increase in discount rate	**(0.59)**	(1.07)
(ii)	0.5% point decrease in discount rate	**0.59**	1.15
(iii)	0.5% point increase in rate of salary increase	**0.57**	1.06
(iv)	0.5% point decrease in rate of salary increase	**(0.57)**	(1.01)
(v)	10% point increase in attrition rate	**0.13**	(0.03)
(vi)	10% point decrease in attrition rate	**(0.18)**	0.04
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	**6.00%**	6.76%
2.	Expected rate of salary increase	**4.00% p.a for next 1 years & 3.00% p.a thereafter**	8.00%
3.	Attrition rate	**35% at lower service reducing to 16% at higher service**	26.00%
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%**	Indian Assured Lives Mortality (2006-08) Ultimate

(a) Amount recognised as an expense in the Statement of Profit and Loss and included in Note 27 under Salaries and wages:

Gratuity ₹ 5.40 Crore (Previous year - ₹ 5.76 crore) and Leave encashment ₹ 5.22 crore (Previous year - ₹ -7.13 crore)

(The above balances include balances pertaining to discontinued operations: Gratuity ₹ 1.79 crore (Previous year- ₹ 2.10 crore; Leave encashment ₹ 4.00 crore (Previous year - ₹ 4.12 crore)

(b) The estimates of future salary increases considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(c) The plan above is typically exposed to actuarial risk such as interest risk, Mortality risk, Liquidity risk and salary risk

– Interest risk: The decrease in the interest rate linked to Government securities will increase the liability.

– Mortality risk: An increase in the life expectancy of the plan participants will increase the plan's liability.

– Liquidity risk: Retirement/resignation of Plan participants with higher salaries and long duration or higher in hierarchy may lead strain in the cashflows due to significant accumulation of their accumulated benefits.

– 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 Consolidated Statement of Profit and Loss - included in Note 27 - Contribution to provident and other funds:

Particulars	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2019 ₹ in crore
Provident fund	**17.87**	17.79
Others (Employee State insurance and other funds)	**2.24**	4.28
Total	**20.11**	22.07

Amount pertaining to discontinued operations mentioned in Note 37 ₹ 5.67 crore (Previous year- ₹ 4.91 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 ₹ 8.23 crores (Previous year: ₹ 13.28 crores). The outstanding pensions creditor is ₹ 1.19 crore (Previous year: ₹ 1.21 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, 2020 ₹ in crore	As at March 31, 2019 ₹ in crore
Present value of defined benefit obligations	**(367.24)**	(380.72)
Fair value of plan assets	**378.43**	373.03
	11.19	(7.69)
Less: Restriction to the amount that can be recognised	**(11.19)**	–
	–	(7.69)

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

	As at March 31, 2020 ₹ in crore	As at March 31, 2019 ₹ in crore
Defined benefit obligation, beginning of the year	**380.72**	365.24
Interest expense	**9.07**	9.44
Benefits paid	**(6.04)**	(7.93)
Remeasurements: Actuarial gains and losses	**(30.26)**	15.54
Past service costs including curtailments	**–**	3.83
Foreign currency translation	**13.75**	(5.40)
Defined benefit obligation, end of the year	**367.24**	380.72

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

	As at March 31, 2020 ₹ in crore	As at March 31, 2019 ₹ in crore
Fair value of plan assets, beginning of the year	**373.03**	355.09
Interest income	**9.08**	9.33
Benefits paid	**(6.04)**	(7.93)
Contributions by employer	**16.34**	15.12
Remeasurements: Actuarial gains and losses	**(28.04)**	6.83
Foreign currency translation	**14.06**	(5.41)
Fair value of plan assets, end of the year	**378.43**	373.03

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

	As at March 31, 2020 ₹ in crore	As at March 31, 2019 ₹ in crore
Recognised in profit or loss:		
Net interest/(income) expense	**(0.01)**	0.11
	(0.01)	0.11
Recognised in other comprehensive income:		
Remeasurements actuarial gains and losses on fair value of plan asset	**28.04**	(6.83)
Remeasurements actuarial gains and losses on define benefit obligation	**(30.26)**	15.54
Remeasurements gains and losses- changes to the restriction on the amount that can be recognised.	**11.19**	–
Remeasurement of the net defined benefit plan	**8.97**	8.71

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

	As at March 31, 2020 %	As at March 31, 2019 %
Equity instruments	**46.90**	49.40
Debt instruments	**10.00**	9.80
Annuity policy	**21.00**	22.50
Other assets	**22.10**	18.30

The return on plan assets are as follows:

	As at March 31, 2020 %	As at March 31, 2019 %
Interest income	**9.08**	9.33
Remeasurements: Actuarial gains and losses	**(28.04)**	6.83
Return on assets of benefit plan	**(18.96)**	16.16

The principal actuarial assumptions as at Balance Sheet date were:

	As at March 31, 2020 %	As at March 31, 2019 %
Discount rate	**2.20**	2.40
Expected rate of increase in salary	**2.60**	3.25
Inflation rate	**1.60**	2.25
Mortality rates		
Current pensioners at 65 - male	**21.40**	21.40
Current pensioners at 65 - female	**23.80**	23.70
Future pensioners at 65 - male	**22.50**	22.40
Future pensioners at 65 - female	**25.00**	24.90

	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2019 ₹ 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	**53.48**	60.70
(ii) One percent point decrease in discount rate	**(70.94)**	(81.34)
(iii) One percent point increase in inflation rate	**(64.34)**	(72.08)
(iv) One percent point decrease in inflation rate	**49.55**	56.50

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.

35. SHARE BASED PAYMENTS TO EMPLOYEES

The Compensation Committee of the Board of Directors has, under Wockhardt Stock Option Scheme -2011 ('the Scheme' or 'ESOS') granted 60,000 options @ ₹ 397/- per option (Grant 1), another 60,000 options @ ₹ 365/- per option (Grant 2), 1,420,000 options @ ₹ 5/- per option (Grant 3) , 350,000 options @ ₹ 5/- per option (Grant 4) , 8,500 options @ ₹ 5/- per option (Grant 5), 200,000 options @ ₹ 5/- per option (Grant 6), 223,500 options @ ₹ 5/- per option (Grant 7) and 76,000 options @ ₹ 5/- per option (Grant 8) 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 the compensation committee of Board of directors.

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

Employee stock option activity under Scheme 2011 is as follows:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Outstanding at beginning of the year	**5,99,300**	7,47,000
(b) Granted during the year	**76,000**	–
(c) Lapsed during the year (re -issuable) *	**5,250**	91,950
(d) Exercised during the year *	**48,800**	55,750
(e) Outstanding at the end of the year:	**6,21,250**	5,99,300
of which Options vested and exercisable at the end of the year	**4,28,350**	3,81,000
'* weighted average exercise price ₹ 5 per share		
Range of weighted average share price on the date of exercise per share	**₹ 263.00-₹ 393.35**	₹ 634.67-₹ 655.18
Weighted average share price for the period	**311.61**	574.05
Range of weighted average fair value of options on the date of grant per share	**₹ 106.47-₹ 1,949.76**	
No option have been forfeited during the year or in the previous year.		

	For the year ended March 31, 2020	For the year ended March 31, 2019
Net loss as reported in Consolidated Statement of Profit and Loss (from continuing operations)	**(163.78)**	(289.66)
Basic earnings per share as reported (₹)	**(14.79)**	(26.17)
Diluted earnings per share as reported (₹)	**(14.79)**	(26.17)
Fair value of the options have been computed as per the Black Scholes Pricing Model		
The key assumptions used to estimate the fair value of options are:		
Range of stock price at the time of option grant (₹ Per share)	**₹ 414 - ₹ 1,954.20**	₹ 414 - ₹ 1,954.20
Range of expected life	**1.50 years - 7.75 years**	1.50 years - 7.75 years
Range of risk free interest rate	**7.43% -8.64 %**	7.43% -8.64 %
Range of Volatility	**36% - 88%**	36% - 88%
Range of weighted average exercise price (₹ Per share)	**₹ 5.00 - ₹ 37.65**	₹ 5.00 - ₹ 37.65
Range of Weighted average remaining contractual life	**1.01 years - 8.03 years**	1.01 years - 8.03 years

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

36. REVENUE:

(a) Effective April 01, 2018, the Group has adopted Ind AS 115: "Revenue from Contracts with Customers" that has become mandatorily applicable for reporting periods beginning on or after April 01, 2018 replacing the existing revenue recognition standard. The new standard establishes principles for reporting information about the nature, timing and uncertainty of revenue and also the cash flows arising from contract with customers.

As per the new Standard , 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, service level penalty 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. Shelf stock adjustments which primarily cover the inventory held at the time the price decline becomes effective are recorded when the decline becomes effective. 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, service level penalty, 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 24)	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2020 USD in million	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2019 USD in million
Total revenue from Customers	**2,833.03**	**374.85**	3,547.40	512.57
Other Operating income	**10.96**	**1.45**	18.44	2.66
Total	**2,843.99**	**376.30**	3,565.84	515.23

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, 2020 ₹ in crore	For the year ended March 31, 2020 USD in million	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2019 USD in million
Total Gross revenue, net of estimated returns and medicate rebate as referred in Note 23	**5,637.10**	**745.86**	6,608.93	954.94
Less: Discounts, rebates, chargeback, service level penalty and other adjustments	**(2,804.07)**	**(371.01)**	(3,061.53)	(442.37)
Revenue from contract with customers	**2,833.03**	**374.85**	3,547.40	512.57
Other Operating income	**10.96**	**1.45**	18.44	2.66
Total	**2,843.99**	**376.30**	3,565.84	515.23

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

The Board of Directors , in their meeting held on February 12, 2020 approved the Business transfer agreement (BTA) between the Company and Dr. Reddy's Laboratories Limited (DRL) for divestment of part of Domestic Branded Business comprising of 62 products and line extensions, related assets and liabilities including manufacturing facility at Baddi, Himachal Pradesh, India, for a consideration of ₹ 1,850 crore. Further, the transaction has since been approved by the Shareholders of the Company vide postal ballot dated March 16,2020. The transaction is subject to approval from the Lenders of the Company and other conditions precedent and is expected to be completed by 1st quarter of FY 2020-21. Accordingly the aforesaid business has been reported as discontinued operations, its identified assets and liabilities and assets and liabilities of Baddi plant are classified as assets held for sale.

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

	For the year ended March 31, 2020 ₹ in crore	**For the year ended March 31, 2020 USD in million**	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2019 USD in million
Revenue including other income	**481.16**	**63.66**	592.54	85.62
Expenses	**335.80**	**44.43**	446.31	64.49
Profit before income tax	**145.36**	**19.23**	146.23	21.13
Income tax expense/(credit)	**50.80**	**6.72**	51.10	7.38
Profit after income tax	**94.56**	**12.51**	95.13	13.75

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

	For the year ended March 31, 2020 ₹ in crore	**For the year ended March 31, 2020 USD in million**	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2019 USD in million
Net cash inflow from operating activities	**153.14**	**20.26**	157.78	22.80
Net cash outflow from investing activities	**(0.41)**	**(0.05)**	(0.99)	(0.14)
Net cash inflow from financing activities	**–**	**–**	–	–

B. Assets and liabilities classified as held for sale:

	As at March 31, 2020 ₹ in crore	**As at March 31, 2020 USD in million**	As at Feb 11, 2020 ₹ in crore	As at Feb 11, 2020 USD in million
Non-Current Assets:				
Property, Plant and Equipments	**28.61**	**3.78**	27.90	3.69
Capital Work-in-Progress	**0.50**	**0.07**	1.36	0.18
Other Intangible Assets	**0.18**	**0.02**	0.18	0.02
Current Assets:				
Inventories of Raw materials ,Packing materials and Finished goods	**26.37**	**3.49**	28.14	3.72
Other Financial Assets	**0.96**	**0.13**	0.98	0.13
Other Current Assets	**0.02**	**–**	0.02	–
Assets classified as held for sale	**56.64**	**7.49**	58.58	7.75
Current Liabilities:				
Other current financial liabilities	**0.06**	**0.01**	0.06	0.01
Provisions	**11.36**	**1.50**	9.46	1.25
Liability classified held for sale	**11.42**	**1.51**	9.52	1.26

Note: Fair value of assets as on February 11, 2020 and March 31, 2020 is more than its carrying value.

38. 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 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 (formerly Tohfaa Gifting 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]

Key managerial personnel

H.F. Khorakiwala- Chairman

Shekhar Datta- Non-Executive Independent Director (upto March 31, 2019)

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

Vinesh Kumar Jairath- Non-Executive Independent Director

Zahabiya Khorakiwala - Non-Executive Non-Independent Director

Huzaifa Khorakiwala - Executive Director

Murtaza Khorakiwala - Managing Director

Rima Marphatia (Nominee Director from EXIM) (w.e.f. May 06, 2019)

(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, 2020 ₹ in crore	**For the year ended March 31, 2020 USD in million**	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2019 USD in million
Key managerial personnel				
Remuneration [Chairman ₹ 2.80 crore (Previous year - ₹ 2.80 crore), Managing Director ₹ 2.40 crore (Previous year - ₹ 2.40 crore), Executive Director ₹ 2.40 crore (Previous year - ₹ 2.40 crore)]	**7.60**	**1.01**	7.60	1.10
Contribution to Provident fund [Chairman ₹ 0.20 crore (Previous year - ₹ 0.32 crore), Managing Director ₹ 0.20 crore (Previous year - ₹ 0.27 crore), Executive Director ₹ 0.20 crore (Previous year - ₹ 0.27 crore)]	**0.60**	**0.08**	0.86	0.12
Remuneration payable [Chairman ₹ 0.13 crore (Previous year - ₹ Nil), Managing Director ₹ 0.09 crore (Previous year - ₹ Nil), Executive Director ₹ 0.09 crore (Previous year - ₹ Nil)]	**0.31**	**0.04**	–	–
Director sitting fee paid [Shekhar Datta ₹ Nil (Previous year - ₹ 0.11 crore), D S Brar ₹ 0.14 crore (Previous year - ₹ 0.12 crore), Sanjaya Baru ₹ 0.14 crore (Previous year - ₹ 0.09 crore), Tasneem Mehta ₹ 0.15 crore (Previous year - ₹ 0.12 crore), Baldev Raj Arora ₹ 0.15 crore (Previous year - ₹ 0.14 crore), Aman Mehta ₹ 0.09 crore (Previous year - ₹ 0.12 crore), Vinesh Kumar Jairath ₹ 0.15 crore (Previous year - ₹ 0.14 crore), Zahabiya Khorakiwala ₹ 0.04 crore (Previous year- ₹ 0.02 crore), Rima Marphatia ₹ 0.05 crore (Previous year - ₹ Nil)]	**0.91**	**0.12**	0.86	0.12
Reimbursement of Expenses to D S Brar	**0.01**	**–**	0.01	–
Other parties exercising control				
Issue of Non-Convertible Non-Cumulative Redeemable Preference Shares (NCCRPS) to Humuza Consultants	**–**	**–**	200.00	28.90
Dividend on preference shares to Humuza Consultants	**8.00**	**1.06**	2.19	0.32
Loan taken from Humuza Consultants and other parties related to subsidiaries companies	**148.49**	**19.65**	–	–
Interest on Loan from Humuza Consultants	**2.72**	**0.36**	–	–

	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2020 USD in million	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2019 USD in million
Enterprise over which Key Managerial Personnel exercise significant influence/ Control				
Rent paid [Palanpur Holdings and Investments Private Limited ₹ 0.92 crore (Previous year - ₹ 0.92 crore), Wockhardt Hospitals Limited ₹ 0.36 crore (Previous year - ₹ 0.72 crore), Carol Info Services Limited ₹ 75.08 crore (Previous year - ₹ 70.57 crore)]	**76.36**	**10.10**	72.21	10.43
* rent paid has been disclosed as Right of use assets and Lease liabilities in accordance with Ind AS 116				
Contribution and reimbursement of expenses given to Wockhardt Foundation	**0.56**	**0.07**	4.54	0.66
Donation paid to Dr. Habil Khorakiwala Education and Health Foundation (Trust)	**1.08**	**0.14**	0.34	0.05
Reimbursement of Expenses [Wockhardt Hospitals Limited ₹ 0.02 crore (Previous year - ₹ 0.09 crore), Carol Info Services Limited ₹ 1.68 crore (Previous year - ₹ 1.78 crore), The Peace Mission Private Limited (formerly Tohfaa Gifting Private Limited) ₹ 0.09 crore (Previous year - ₹ 0.56 crore)]	**1.79**	**0.24**	2.43	0.35
Rent and other miscellaneous income [Wockhardt Hospitals Limited ₹ 0.04 crore (Previous year - ₹ 0.03 crore), Wockhardt Foundation ₹ 0.003 crore (Previous year - ₹ 0.004 crore), Dr. Habil Khorakiwala Education and Health Foundation (Trust) ₹ 0.003 crore (Previous year - ₹ 0.003 crore)]	**0.05**	**0.01**	0.04	0.01
Recovery of expenses from Wockhardt Hospitals Limited	–	–	0.09	0.01
Sale of Finished goods to Wockhardt Hospitals Limited	**0.02**	–	–	–
Salary paid to the teaching staff of Wockhardt Global School	**2.59**	**0.34**	2.81	0.41
The Company has given school premises on lease to Wockhardt Global School without rent				
Dividend on preference shares to Khorakiwala Holdings and Investments Private Limited	**5.84**	**0.77**	16.55	2.39
Advance to Carol Info Services Limited	–	–	5.05	0.73
Advances recovered from Carol Info Services Limited	–	–	5.05	0.73
Loan taken from [Khorakiwala Holdings and Investments Private Limited ₹ 25.00 crore (Previous year - ₹ Nil), Merind Limited ₹ 58.40 crore (Previous year - ₹ Nil)]	**83.40**	**11.03**	–	–
Interest on loan taken [Khorakiwala Holdings and Investments Private Limited ₹ 1.39 crore (Previous year - ₹ Nil), Merind Limited ₹ 1.25 crore (Previous year - ₹ Nil)]	**2.64**	**0.35**	–	–
Issue of Non-Convertible Non-Cumulative Redeemable Preference Shares (NCCRPS) to Khorakiwala Holdings and Investments Private Limited	–	–	50.00	7.22
Redemption of Non-Convertible Cumulative Redeemable Preference Shares (NCRPS) issued to Khorakiwala Holdings and Investments Private Limited	–	–	21.62	3.12
Premium paid on Redemption of above Preference Shares	–	–	7.69	1.11
Redemption of Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) issued to Khorakiwala Holdings and Investments Private Limited	–	–	9.26	1.34
During the year ended March 31, 2020, the Company has extended the redemption period by a year from existing redemption period on March 31, 2020 to March 31, 2021 of 160,000,000, 0.01% Non-Convertible Cumulative Redeemable Preference Shares (NCRPS Series 5) together with the redemption premium amounting to ₹ 99. 84 crore, held by the Promoter Group with a right to earlier redemption by giving one month notice by the either parties. Premium of 8% p.a. shall be payable for the extended period upto the date of redemption on the redemption value. The redemption of these preference shares amounting to ₹ 99.84 crore were also extended during the previous year from March 31,2019 to March 31, 2020 with a similar right of to earlier redemption by giving one month notice by either parties post June 30, 2020. The premium of 4% p.a during the previous year, was payable for the extended period upto redemption on the redemption value .				

(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. These balances were presented on net basis during the previous year).

	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million	As at March 31, 2019 ₹ in crore	As at March 31, 2019 USD in million
Enterprise over which Key Managerial Personnel exercise significant influence/Control				
Trade receivables [Wockhardt Hospitals Limited ₹ 0.05 crore (Previous year - ₹ 0.001 crore), Wockhardt Foundation ₹ 0.003 crore (Previous year - ₹ 0.01 crore), Dr. Habil Khorakiwala Education and Health Foundation (Trust) ₹ 0.04 crore (Previous year - ₹ 0.04 crore), Merind Limited ₹ Nil (Previous year - ₹ 0.57 crore)]	**0.09**	**0.01**	0.62	0.09
Trade Payables [Wockhardt Hospitals Limited ₹ 0.63 crore (Previous year - ₹ 0.13 crore), Carol Info Services Limited ₹ 2.68 crore (Previous year - ₹ 1.09 crore), Palanpur Holdings and Investments Private Limited ₹ 1.65 crore (Previous year - ₹ 0.66 crore), The Peace Mission Private Limited ₹ 0.02 crore (Previous year- ₹ 0.01 crore)]	**4.98**	**0.66**	1.89	0.27
Loan taken [Merind Limited ₹ 59.53 crore (Previous year - ₹ Nil), Khorakiwala Holdings and Investments Private Limited ₹ 26.25 crore (Previous year- ₹ Nil), Humuza Consultants ₹ 127.44 crore (Previous year- ₹ Nil), Other parties related to subsidiaries companies ₹ 23.05 crore (Previous year- ₹ Nil)]	**236.27**	**31.26**	–	–
Preference shares [Khorakiwala Holdings and Investments Private Limited ₹ 130.00 crore (Previous year- ₹ 130.00 crore), Humuza Consultants ₹ 200.00 crore (Previous year- ₹ 200.00 crore)	**330.00**	**43.66**	330.00	47.68
[Carrying amount: Khorakiwala Holdings and Investments Private Limited ₹ 149.62 crore (Previous year - ₹ 142.79 crore), Humuza Consultants ₹ 200.30 crore (Previous year - ₹ 187.16 crore)]				
Security deposit given to Carol Info Services Limited - Transaction value	**55.50**	**7.34**	55.50	8.02
[Carrying amount ₹ 32.51 crore (Previous year - ₹ 30.21 crore)]				
Security deposit given to Palanpur Holdings and Investments Private Limited	**2.75**	**0.36**	2.75	0.40

39. 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, 2020**	As at March 31, 2019
Wockhardt Bio AG	Switzerland	**14.15%**	14.15%

	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million	As at March 31, 2019 ₹ in crore	As at March 31, 2019 USD in million
Revenue from operations	**2,239.39**	**296.29**	2,346.13	339.00
Profit/(Loss) for the year	**182.54**	**24.15**	(156.41)	(22.60)
Profit/(Loss) allocated to Non - Controlling Interests	**25.83**	**3.42**	(22.13)	(3.20)
Total comprehensive income/(loss) allocated to Non - Controlling Interests	**55.96**	**7.41**	(15.90)	(2.30)

	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million	As at March 31, 2019 ₹ in crore	As at March 31, 2019 USD in million
Non-current assets	**3,315.97**	**438.74**	2,842.84	410.77
Current assets	**2,142.38**	**283.46**	2,238.34	323.42
Non-current liabilities	**1,331.12**	**176.12**	957.61	138.37
Current liabilities	**1,400.77**	**185.34**	1,792.61	259.02
Net assets	**2,726.46**	**360.74**	2,330.96	336.80
Net assets attributable to Non - Controlling Interests	**385.79**	**51.04**	329.83	47.66

	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million	As at March 31, 2019 ₹ in crore	As at March 31, 2019 USD in million
Cash flows from (used in) operating activities	**447.31**	**59.18**	82.40	11.91
Cash flows from (used in) investing activities	**(227.63)**	**(30.12)**	(3.42)	(0.49)
Cash flows from (used in) financing activities	**(357.71)**	**(47.33)**	(655.49)	(94.71)
Foreign currency translation differences	**6.15**	**0.81**	(83.21)	(12.02)
Net increase (decrease) in cash and cash equivalents	**(131.88)**	**(17.46)**	(659.72)	(95.31)

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

40. 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.

As at March 31, 2020	Carrying Value				Total Fair value (₹ in crore)
	Fair value through profit or loss (₹ in crore)	Fair value through other comprehensive income (₹ in crore)	Amortised Cost (₹ in crore)	Total (₹ in crore)	
Financial Assets					
Non Current Investments	0.45	–	–	0.45	0.45
Other Non-Current Financial Assets	–	–	46.02	46.02	56.28
Trade receivables	–	–	1,242.69	1,242.69	1,242.69
Cash and cash equivalents	–	–	219.34	219.34	219.34
Bank balance (other than above)	–	–	49.12	49.12	49.12
Other Current Financial Assets	–	–	8.85	8.85	8.85
Total	0.45	–	1,566.02	1,566.47	1,576.73
Total (USD in million)	0.06	–	207.20	207.26	208.62
Financial Liabilities					
Borrowings	–	–	2,144.76	2,144.76	2,144.76
Trade payables	–	–	895.27	895.27	895.27
Lease Liabilities	–	–	369.03	369.03	386.16
Other Financial Liabilities			1,387.93	1,387.93	1,387.93
Total	–	–	4,796.99	4,796.99	4,814.12
Total (USD in million)			634.70	634.70	636.96

(₹ in crore)

As at March 31, 2020	Fair value			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial Assets				
Investments	–	–	0.45	0.45
Other Non-Current Financial Assets	–	56.28	–	56.28
Total	–	56.28	0.45	56.73
Financial Liabilities				
Borrowings	–	2,144.76	–	2,144.76
Lease Liabilities	–	386.16	–	386.16
Total	–	2,530.92	–	2,530.92

As at March 31, 2019	Carrying amount				Total Fair value (₹ in crore)
	Fair value through profit or loss (₹ in crore)	Fair value through other comprehensive income (₹ in crore)	Amortised Cost (₹ in crore)	Total (₹ in crore)	
Financial Assets					
Investments	0.45	–	–	0.45	0.45
Other Non-Current Financial Assets	–	–	38.58	38.58	40.77
Trade receivables	–	–	1,273.90	1,273.90	1,273.90
Cash and cash equivalents	–	–	397.34	397.34	397.34
Bank balance (other than above)	–	–	51.31	51.31	51.31
Other Current Financial Assets	–	–	20.18	20.18	20.18
Total	0.45	–	1,781.31	1,781.76	1,783.95
Total (USD in million)	0.07	–	257.39	257.46	257.77
Financial Liabilities					
Borrowings	–	–	2,453.18	2,453.18	2,453.18
Trade payables	–	–	840.24	840.24	840.24
Other Financial Liabilities	–	–	1,283.56	1,283.56	1,283.56
Total	–	–	4,576.98	4,576.98	4,576.98
Total (USD in million)	–	–	661.35	661.35	661.35

(₹ in crore)

March 31, 2019	Fair value			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial Assets				
Investments	–	–	0.45	0.45
Other Non-Current Financial Assets	–	40.77	–	40.77
Total	–	40.77	0.45	41.22
Financial Liabilities				
Borrowings	–	2,453.18	–	2,453.18
Total	–	2,453.18	–	2,453.18

B. Measurement of fair values:

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

– The fair values of the loans taken from banks and other parties, and preference shares is estimated by discounting cash flows using rates currently available for debt/instruments on similar terms, credit risks and remaining maturities. Management regularly assesses a range of reasonably possible alternatives for those significant observable inputs and determines their impact on the total fair value.

– The fair value of Investment in Unquoted Equity shares of Narmada Clean Tech Limited (formerly known as Bharuch Eco-Aqua Infrastructure Limited) and Bharuch Enviro Infrastructure Limited are taken as cost of acquisition considering the statutory requirement of regulatory authorities relating to purchase and restriction on transfer. The change in the unobservable inputs for unquoted equity instruments does not have a significant impact in its value.

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

Financial instruments measured at fair value

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

41. 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 an internal Risk Committee. Key risks and their mitigation arising out of periodic reviews by the Committee are assessed and reported to the Audit Committee, on a periodic basis.

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

The Company has 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 and investments.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

As at March 31, 2020 and March 31, 2019, 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 2020 and 31 March 2019:

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

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

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

Particulars	As at March 31, 2020				As at March 31, 2019			
	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
Not due	**983.21**	**(2.04)**	**981.17**	**0.22%**	1,091.23	(46.39)	1,044.84	4.30%
Past due 1-180 days	**212.84**	**(12.46)**	**200.38**	**2.91%**	192.39	(7.79)	184.60	4.05%
Past due 181-360 days	**53.95**	**(24.21)**	**29.74**	**32.23%**	35.64	(3.11)	32.53	8.73%
More than 360 days	**173.10**	**(141.70)**	**31.40**	**82.26%**	104.90	(92.97)	11.93	88.64%
Total	**1,423.10**	**(180.41)**	**1,242.69**		1,424.16	(150.26)	1,273.90	
Total (USD in million)	**188.29**	**(23.87)**	**164.42**		205.78	(21.71)	184.07	

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

	As at March 31, 2020 ₹ in crore	As at March 31, 2019 ₹ in crore
Opening balance	**150.26**	153.02
Impairment loss recognised (including exchange fluctuation)	**34.31**	(2.51)
Impairment loss reversed	**(4.16)**	(0.25)
Closing balance	**180.41**	150.26
Closing balance (USD in million)	**23.87**	21.71

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 ₹ 268.46 crore (Previous year - ₹ 448.65 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. The Group invests its surplus funds in bank fixed deposit.

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

(₹ in crore)

As at March 31, 2020		Contractual cash flows			
	Carrying amount	Total	0-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities					
Term loans from banks/Financial Institutions (including interest)*	2,054.40	2,335.94	943.63	1,392.31	–
Other borrowings (excluding preference shares)	14.45	14.98	10.96	2.39	1.63
Loan from related party	236.27	236.27	236.27	–	–
Preference shares	349.92	367.05	367.05	–	–
Working capital loans from banks (repayable on demand)	558.19	558.19	558.19	–	–
Lease Liabilities	369.03	527.76	65.94	271.99	189.83
Trade payables and other Current Financial Liabilities	1,214.73	1,214.73	1,214.73	–	–
Total	**4,796.99**	**5,254.92**	**3,396.77**	**1,666.69**	**191.46**

(₹ in crore)

As at March 31, 2019	Carrying amount	Contractual cash flows			
		Total	0-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities					
Term loans from banks/Financial Institutions (including interest)*	2,477.53	2,789.35	967.80	1,821.55	–
Other borrowings (excluding preference shares)	24.85	25.54	20.54	2.93	2.07
Preference shares	329.95	373.85	103.10	270.75	–
Working capital loans from banks (repayable on demand)	542.27	542.27	542.27	–	–
Trade payables and other Current Financial Liabilities	1,202.38	1,202.38	1,202.38	–	–
Total	4,576.98	4,933.39	2,836.09	2,095.23	2.07

* 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.

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

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

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2020 and March 31, 2019 are as below:

Particulars	Currency	As at March 31, 2020		As at March 31, 2019	
		Amount in Foreign Currency (in million)	₹ in crore	Amount in Foreign Currency (in million)	₹ in crore
Loan Availed	EUR	**0.05**	**0.41**	0.35	2.73
	USD	**44.83**	**338.80**	63.32	438.24
Trade Receivables	ACU	**0.08**	**0.59**	-	-
	AUD	**0.93**	**4.30**	-	-
	EUR	**2.62**	**21.70**	7.04	54.63
	GBP	**51.52**	**481.35**	57.77	521.12
	USD	**94.44**	**713.74**	98.64	682.69
	RUB	**131.52**	**12.70**	273.34	29.27
	MXN	**64.74**	**20.56**	64.74	23.22
Loans and Other Receivables	EUR	**43.17**	**357.54**	2.94	22.85
	USD	**8.96**	**67.72**	6.53	45.23
	CHF	**0.06**	**0.44**	0.08	0.57
	GBP	**0.18**	**1.67**	0.33	3.01
	AED	**0.29**	**0.60**	0.74	1.40
Trade payables and Other Liabilities	ACU	**0.01**	**0.04**	-	-
	AUD	**0.25**	**1.15**	-	-
	EUR	**15.01**	**124.28**	11.16	86.67
	GBP	**33.23**	**310.46**	22.07	199.06
	MXN	**13.25**	**4.21**	13.25	4.75
	USD	**12.62**	**95.34**	16.51	114.26
	JPY	**7.64**	**53.22**	2.45	0.15
	CAD	**0.02**	**0.12**	-	-
	CHF	**5.38**	**42.09**	-	-
	AED	**0.60**	**1.24**	2.33	4.40
	RUB	**11.46**	**1.11**	7.57	0.81

Particulars	Currency	As at March 31, 2020		As at March 31, 2019	
		Amount in Foreign Currency (in million)	₹ in crore	Amount in Foreign Currency (in million)	₹ in crore
Bank	GBP	**1.99**	**18.60**	7.11	64.09
	EUR	**0.05**	**0.45**	0.52	4.06
	USD	**0.07**	**0.50**	1.19	8.23
	JPY	**0.01**	**0.04**	–	–
	AED	**0.02**	**0.03**	0.28	0.53
	CHF	**0.16**	**1.27**	–	–
	AUD	**0.00**	**–**	0.51	2.48

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, 2020	Profit or loss before tax Gain/(Loss)		Equity, gross of tax Increase/(Decrease)	
	Strengthening	Weakening	Strengthening	Weakening
5% movement				
USD	**29.51**	**(29.51)**	**17.39**	**(17.39)**
GBP	**9.56**	**(9.56)**	**9.56**	**(9.56)**
EUR	**12.75**	**(12.75)**	**12.75**	**(12.75)**
RUB	**0.58**	**(0.58)**	**0.58**	**(0.58)**
MXN	**0.82**	**(0.82)**	**0.82**	**(0.82)**
Others	**(4.53)**	**4.53**	**(4.53)**	**4.53**
Total	**48.69**	**(48.69)**	**36.57**	**(36.57)**

(₹ in crore)

Effect in ₹ March 31, 2019	Profit or loss before tax Gain/(Loss)		Equity, gross of tax Increase/(Decrease)	
	Strengthening	Weakening	Strengthening	Weakening
5% movement				
USD	31.09	(31.09)	10.01	(10.01)
GBP	19.46	(19.46)	19.46	(19.46)
EUR	(0.39)	0.39	(0.39)	0.39
RUB	1.42	(1.42)	1.42	(1.42)
MXN	0.92	(0.92)	0.92	(0.92)
Total	52.50	(52.50)	31.42	(31.42)

(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, 2020	As at March 31, 2019
Variable-rate instruments		
Financial liabilities	**2,612.96**	3,019.79
	2,612.96	3,019.79
Fixed-rate instruments		
Financial liabilities	**600.27**	354.81
	600.27	354.81

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, 2020	For the year ended March 31, 2019
100 bp increase	**(26.13)**	(30.20)
100 bp decrease	**26.13**	30.20

42. 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, 2020	As at March 31, 2019
Total Borrowings	**3,213.23**	3,374.60
Less: Cash and cash equivalent and other bank balances	**268.46**	448.65
Adjusted net debt	**2,944.77**	2,925.95
Total equity	**3,057.46**	3,004.63
Adjusted net debt to adjusted equity ratio	**0.96**	0.97

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, 2020 ₹ 199.26 crore (Previous year: ₹ 201.63 crore) and is not available for distribution as dividend.

43. (a) The Group's New Chemical Entity ('NCE') research program continued to progress in their Clinical Trials during the Financial Year 2019-20. Development Expenses incurred during the year ₹ 142.11 crores (Previous Year: ₹ 145.89 crores) has been capitalised and included under 'Intangible assets under development' as at March 31, 2020.

(b) Certain manufacturing facilities, having net book value of ₹ 183.55 crore (Previous year ₹ 200.20 crore) and capital work in progress amounting to ₹ 426.14 crore (Previous year ₹ 353.25 crores), of the Group continues to be affected due to regulatory alert from US FDA and are currently not being used for alternate purposes. The investment in these plants had been made considering the market feasibility and the potential of existing/future products in pipeline. Upon approval from regulatory authority, the Group would be able to utilise the above mentioned manufacturing facilities to produce and supply products to US market.

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

(a) Demands by Central Excise authorities in respect of Classification/Valuation/Cenvat Credit related disputes; stay orders have been obtained by the Company in case of demands ₹ 44.64 crore (Previous year - ₹ 44.62 crore).

(b) Demand by Income tax authorities ₹ 266.78 crore (Previous year - ₹ 114.77 crore) disputed by the Company.

(c) Demand by Sales Tax authorities ₹ 88.20 crore (Previous year - ₹ 90.83 crore) disputed by the Company.

(d) Demand by Service tax authorities in respect of non-payment of Service Tax on Import of certain services disputed by the Company ₹ 0.88 crore (Previous year - ₹ 1.03 crore).

(e) Commercial dispute on a supply contract filed with London Court of International Arbitration disputed by the Company ₹ 46.72 crore (5 million GBP) [Previous year - ₹ 45.10 crore (GBP 5 million)].

(f) Claims against Company not acknowledged as debt in respect of:

– electricity expense ₹ 7.12 crore (Previous year - ₹ 6.62 crore)

– remediation against the pollution of ground water ₹ 0.85 crore (Previous year - ₹ 0.85 crore)

– environmental compensation against non-compliance of water/air pollution measures ₹ 2.00 crore (Previous year: ₹ Nil)

(g) Demand from National Pharmaceutical Pricing Authority (NPPA) in respect of overcharging of certain products disputed by the Company ₹ 75.04 crore (Previous year - ₹ 70.76 crore).

(h) 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.

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 108.85 crore (Previous year - ₹ 98.61 crore) after deducting advance on capital account of ₹ 7.10 crore (Previous year - ₹ 5.16 crore).

(j) Claims against the Group not acknowledged as debts:

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 ₹ 48.33 crore (USD 6.4 million)

45. Reconciliation of the opening and closing balances of liabilities arising from Financing activities:

Particulars	As at March 31, 2020	As at April 01, 2019	Non cash changes		Reclassi-fication	Other items considered separately	Cash flows-inflow/ (Outflow)
			Exchange fluctuation	Fair value/Ind AS adjustments			
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Long-term borrowings (Net)	2,309.37	2,812.89	165.44	23.44	(99.84)	8.78	(601.33)
Short-term borrowings (Net)	903.86	561.71	0.27	–	99.84	8.47	233.58

Particulars	As at March 31, 2019	As at April 01, 2018	Non cash changes		Other items considered separately	Cash flows-inflow/ (Outflow)
			Exchange fluctuation	Fair value/Ind AS adjustments		
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Long-term borrowings (Net)	2,812.89	3,310.73	124.02	(32.49)	(1.60)	(587.77)
Short-term borrowings (Net)	561.71	437.09	1.40	–	0.38	122.84

46. As part of Corporate Social Responsibility (CSR), the Company has made voluntary contribution of ₹ 1.64 crore during the year for spending on CSR activities to Wockhardt Foundation and Dr. Habil Khorakiwala Education and Health Foundation. During the previous year, the Company was required to spend ₹ 0.62 crore for CSR activities. and accordingly had made a payment of ₹ 4.21 crore to Wockhardt Foundation . The aforesaid amount has been included in Note 29 under 'Miscellaneous expenses', being contribution and other expenses (Also Refer note 38).

47. Donations for Political purpose made during previous year and included in Note 29 under "Miscellaneous expenses":

Purchase of Electoral Bonds ₹ 2 crore (Previous year - ₹ Nil).

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	16.17	994.62	(57.31)	(231.12)	(58.53)	3.81	(57.29)	(227.31)
SUBSIDIARIES								
Indian								
1. Wockhardt Infrastructure Development Limited	3.41	209.84	3.47	14.00	–	–	3.53	14.00
2. Wockhardt Medicines Limited	–	0.02	(0.01)	(0.02)	–	–	(0.01)	(0.02)
Foreign								
1. Z&Z Services GmbH	(0.02)	(1.47)	–	–	–	–	–	–
2. Wockhardt Europe Limited	0.15	9.27	(0.01)	(0.05)	–	–	(0.01)	(0.05)
3. Wockhardt Nigeria Limited	–	(0.14)	–	(0.02)	–	–	(0.01)	(0.02)
4. Wockhardt UK Holdings Limited	1.57	96.38	(0.01)	(0.03)	–	–	(0.01)	(0.03)
5. CP Pharmaceuticals Limited	2.26	138.73	1.72	6.94	158.53	(10.32)	(0.85)	(3.38)
6. CP Pharma (Schweiz) AG	0.02	1.23	(0.01)	(0.04)	–	–	(0.01)	(0.04)
7. Wallis Group Limited	0.44	26.83	–	–	–	–	–	–
8. The Wallis Laboratory Limited	(0.04)	(2.20)	(0.01)	(0.05)	–	–	(0.01)	(0.05)
9. Wockhardt Farmaceutica do Brasil Ltda	(0.02)	(1.16)	(0.07)	(0.30)	–	–	(0.08)	(0.30)
10. Wallis Licensing Limited	(0.17)	(10.56)	–	–	–	–	–	–
11. Wockhardt USA LLC	1.37	84.44	(0.28)	(1.12)	–	–	(0.28)	(1.12)
12. Wockhardt Bio AG	55.66	3,423.82	68.89	277.84	–	–	70.02	277.84
13. Wockhardt UK Limited	2.26	138.99	2.78	11.23	–	–	2.83	11.23
14. Wockpharma Ireland Limited	12.34	759.22	63.90	257.71	–	–	64.96	257.71
15. Pinewood Laboratories Limited	4.31	265.15	12.10	48.78	–	–	12.29	48.78

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
16. Wockhardt Holding Corp	2.86	175.72	(0.81)	(3.28)	–	–	(0.83)	(3.28)
17. Morton Grove Pharmaceuticals Inc	5.14	315.86	3.23	13.04	–	–	3.31	13.04
18. MGP Inc	0.48	29.71	1.02	4.10	–	–	1.03	4.10
19. Wockhardt France (Holdings) S.A.S	(8.27)	(508.85)	(1.73)	(6.98)	–	–	(1.76)	(6.98)
20. Laboratoires Pharma 2000 S.A.S	(0.39)	(24.00)	0.79	3.14	–	–	0.79	3.14
21. Laboratoires Negma S.A.S	2.95	181.74	1.10	4.42	–	–	1.11	4.42
22. Niverpharma S.A.S	(0.49)	(30.32)	(0.08)	(0.32)	–	–	(0.08)	(0.32)
23. Negma Beneulex S.A	–	0.10	(0.01)	(0.05)	–	–	(0.01)	(0.05)
24. Phytex S.A.S	0.01	0.60	–	(0.02)	–	–	(0.01)	(0.02)
25. Wockhardt Farmaceutica SA DE CV	(2.07)	(127.05)	(0.25)	(1.02)	–	–	(0.26)	(1.02)
26. Wockhardt Services SA DE CV	(0.03)	(2.09)	–	–	–	–	–	–
27. Pinewood Healthcare Limited	–	(0.01)	(0.02)	(0.07)	–	–	(0.02)	(0.07)
28. Wockhardt Bio (R) LLC	0.07	5.12	1.49	6.09	–	–	1.54	6.09
29. Wockhardt Bio Pty Ltd	0.03	1.55	0.12	0.49	–	–	0.12	0.49
30. Wockhardt Bio Ltd #	–	–	–	–	–	–	–	–
Sub Total	**100.00**	**6,151.09**	**100.00**	**403.29**	**100.00**	**(6.51)**	**100.00**	**396.78**
Add/(Less): Effect of Inter Company elimination/ adjustment		(3,093.63)		(446.68)		107.38		(339.30)
Non-controlling interests in all subsidiaries		(385.79)		(25.83)		(30.13)		(55.96)
Total		**2,671.67**		**(69.22)**		**70.74**		**1.52**

Wockhardt Bio Ltd, incorporated in New Zealand, is yet to commence the business.

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. Further these figures have been audited by predecessor auditor who have expressed an unqualified opinion.

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 11, 2020

Narendra Singh
Company Secretary

Manas Datta
Chief Financial Officer

For and on behalf of the Board of Directors

H. F. Khorakiwala
Chairman
DIN: 00045608

Huzaifa Khorakiwala
Executive Director
DIN: 02191870

Murtaza Khorakiwala
Managing Director
DIN: 00102650

Zahabiya Khorakiwala
Non Executive Director
DIN: 00102689

Tasneem Mehta
DIN: 05009664

Baldev Raj Arora
DIN: 00194168

Vinesh Kumar Jairath
DIN: 00391684

Rima Marphatia
DIN: 00444343

Directors

INDEPENDENT AUDITOR'S 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 2020, 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 2020, and 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. Company's assessment of accrual towards rebates, discounts, returns and allowances requires significant estimates and judgement and change in these estimates can have a significant financial impact. Given the risk of overstatement of revenue due to fraud and significant estimates and judgement required to assess various accruals referred above, this is considered to be a key audit matter. Refer note 3(j) of accounting policy and note 40 in standalone financial statements	Our audit procedures included the following: • We have assessed the Company's accounting policies relating to revenue recognition and sales returns by comparing with applicable accounting standards. • We have evaluated the design, implementation and operating effectiveness of the Company's internal control over revenue recognition and measurement of rebates, discounts, returns 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 during the year. • We have verified Company's assessment of accruals of rebates, discounts, returns and allowances in line with the past practices to identify bias. • We have examined the manual journals posted to revenue 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 and capital work in progress of the Company is affected by lower capacity utilization mainly due to regulatory alert from U.S. Food and Drug Administration and are currently not being used for alternate purposes. The Company's investment in these facilities was made considering market feasibility and potential of existing/ future products. As at 31 March 2020, carrying value of such Property, Plant and Equipment and Capital Work in Progress amounts to ₹ 183.55 crores and ₹ 286.31 crores respectively. The Company's remediation work of such facilities is underway and is expected to fully utilise the facilities post necessary approvals from the regulator. 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) of accounting policy and note 51 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 performed test of controls over impairment assessment made by the Company through inspection of evidences of performance of these controls. • We have inquired the progress made on remediation work with key managerial personnel. • We have assessed the competence, capabilities and objectivity of the experts (internal and external) used by the Company in the process of determining recoverable amounts. • We have challenged the significant assumptions considered by the Company while carrying out impairment assessment. • We have involved our valuation specialists to assess the valuation methodologies applied by the Company.

Presentation of discontinued operations

The Key Audit Matter	How the matter was addressed in our audit
The Board of Directors have approved the Business Transfer Agreement between the Company and Dr. Reddy's Laboratories Limited for divestment of its identified domestic branded business for a consideration of ₹ 1,850 crores. The Company has disclosed the results of such operations as discontinued operations. The Company has classified the related assets and liabilities as held for sale. – Given the size and complexity of transaction, the classification, presentation and disclosure of discontinued operations/assets classified held for sale requires judgement and is therefore considered to be a key audit matter. Refer note 3(q) of accounting policy and note 41 in standalone financial statements	Our audit procedures included the following: • We have assessed the Company's accounting policies relating to discontinued operations/assets held for sale by comparing with applicable accounting standards. • We have read the minutes of meetings of Board of Directors of the Company, Business Transfer Agreement and the Company's related press releases. • We have inquired with the key managerial personnel to obtain an understanding of the disposal process and the key terms of sale. • We have reconciled the assets, liabilities and results of operations of the divested business to the underlying information in the Company's financial reporting system. • We have evaluated the adequacy of the presentation and disclosures of discontinued operations/assets classified as held for sale in accordance with applicable accounting standards.

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 in the standalone financial statements 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.

Other Matters

The comparative financial statements of the Company for the year ended 31 March 2019 included in these standalone financial statements have been audited by the predecessor auditor who had expressed an unmodified opinion thereon as per their report dated 6 May 2019 and which has been furnished to us by the Management and has been relied upon by us for the purpose of our audit. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government 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 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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:

   i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements - Refer Note 46 to the standalone financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

   iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

(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 Number: 112399
ICAI UDIN: 20112399AAAABA9034

Place : Mumbai
Date : 11 May 2020

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT – 31 MARCH 2020

(Referred to in our report of even date)

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were physically verified by the Management during the year. In our opinion and according to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) In our opinion and 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 are held in the name of the Company except for the following which are not held in the name of the Company:

In respect of Freehold land with gross block and net block of ₹ 0.31 crore for one freehold land and Building comprising of twenty-two flats with gross block of ₹ 0.90 crore and net block of ₹ 0.55 crore,

(ii) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For inventory lying with third parties at the year-end, written confirmations have been obtained and in respect of goods-in-transit, subsequent goods receipts have been verified or confirmations have been obtained from the parties. The discrepancies noticed on verification between the physical stocks and the book records have been properly dealt with in the books of account.

(iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraphs 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, The Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans, investments, guarantees and securities.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public during the year in terms of the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company as specified under Section 148(1) of the Act for maintenance of cost records in respect of products manufactured by the Company, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) 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 provident fund, employees' state insurance, income-tax, goods and services 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 after considering the extension of due date granted by employee's state insurance corporation for payment of such dues for the month of March 20. Provident Fund payment related to implementing the judgment of Honourable Supreme Court of India dated 28 February 2019 was delayed. This payment was made by December 2019.

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 2020 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 and Value added tax which have not been deposited as at 31 March 2020 on account of disputes are given in Enclosure I to this report.

(viii) In our opinion and according to the information and explanations given to us, and based on the records of the Company, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks and government. As per RBI Notification ref. RBI/2019-20/186: DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 on COVID-19 – Regulatory Package, Company has availed the benefit of moratorium on payment of unpaid installments of the Company, which were falling due for payment during the period 1 March 2020 to 31 March 2020.

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT – 31 MARCH 2020

(ix) According to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the provisions of Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards

(xiv) According to the information and explanations given to us and based on 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, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

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

Koosai Lehery
Partner
Membership Number: 112399
ICAI UDIN: 20112399AAAABA9034

Place : Mumbai
Date : 11 May 2020

ENCLOSURE I TO ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2020

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
	Demand under Section 28 (2)	5.19	April 2014 to March 2015	Addl. Commissioner Grade 2 (Appeals) first, Ghaziabad
WB VAT/CST Act	Demand under various Sections	1.43	2007-08 to 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	9.28	April 2013 to March 2014	Maharashtra Sales Tax Tribunal

ENCLOSURE I TO ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2020

Name of the statute	Nature of dues	Amount * (₹ in crore)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax/ VAT Act	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
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
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	Income Tax Appellate Tribunal
	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)
	TDS Assessment order u/s 201/201(A)	36.66	FY 2010-11	Commissioner of Income Tax (Appeals) - TDS
	Demand under Section 143(3)	253.12	FY 2011-12	Commissioner of Income Tax (Appeals)
	TDS Assessment order u/s 201/201(A)	42.47	FY 2011-12	Commissioner of Income Tax (Appeals) - TDS
	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 (TRACES)	0.14	January 2007 to December 2009	TDS officers

Note 1: The aforesaid amounts 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 crore)	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

* out of the above, amount paid/adjusted under protest by the Company for Excise, VAT, Service tax and Income tax is ₹ 0.47 crore, ₹ 6.19 crore, ₹ 0.15 crore and ₹ 89.01 crore.

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF WOCKHARDT LIMITED FOR THE YEAR ENDED 31 MARCH 2020

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 2020 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 2020, 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.

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF WOCKHARDT LIMITED FOR THE YEAR ENDED 31 MARCH 2020

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 Number: 112399
ICAI UDIN: 20112399AAAABA9034

Place : Mumbai
Date : 11 May 2020

WOCKHARDT | LiFE WiNS

BALANCE SHEET

As at March 31, 2020

(All amounts are in INR Crore, except per share data and unless stated otherwise)

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	4	**1,439.07**	1,589.26
Right-of-use assets	4	**580.94**	–
Capital work-in-progress	4	**305.29**	380.90
Intangible assets	5	**24.34**	25.06
Financial assets			
Investments in subsidiaries	6	**296.82**	296.82
Other Investments	6	**0.45**	0.45
Loans	7	**38.16**	40.25
Other Non-current Financial assets	8	**56.63**	40.63
Non-current tax assets (Net)		**96.26**	99.45
Deferred tax assets (Net)	9	**247.40**	138.55
Other non-current assets	10	**67.60**	96.52
		3,152.96	2,707.89
CURRENT ASSETS			
Inventories	11	**314.93**	370.04
Financial Assets			
i. Trade receivables	12	**939.66**	1,005.01
ii. Cash and cash equivalents	13.1	**108.46**	177.07
iii. Bank balances (other than cash and cash equivalents)	13.2	**49.02**	49.14
iv. Other current Financial assets	14	**8.58**	19.72
Other current assets	15	**129.26**	208.96
Assets classified as held for sale	41B	**56.64**	–
		1,606.55	1,829.94
TOTAL ASSETS		**4,759.51**	4,537.83
EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	16	**55.37**	55.34
Other Equity		**939.25**	1,171.29
Equity attributable to the share holders of the Company		**994.62**	1,226.63
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	17	**519.50**	941.93
Lease Liabilities	34	**424.87**	–
Provisions	18	**32.10**	44.26
Other non-current liabilities	19	**483.17**	497.27
		1,459.64	1,483.46
CURRENT LIABILITIES			
Financial Liabilities			
i. Borrowings	20	**880.80**	561.71
ii. Trade payables	21		
Total outstanding dues of micro enterprises and small enterprises		**34.91**	78.83
Total outstanding dues of creditors other than micro enterprises and small enterprises		**489.45**	539.92
iii. Lease Liabilities	34	**69.41**	–
iv. Other current financial liabilities	22	**702.98**	535.56
Other current liabilities	23	**71.62**	75.50
Provisions	24	**43.85**	35.41
Current tax Liabilities (Net)		**0.81**	0.81
Liabilities classified as held for sale	41B	**11.42**	–
		2,305.25	1,827.74
TOTAL LIABILITIES		**3,764.89**	3,311.20
TOTAL EQUITY AND LIABILITIES		**4,759.51**	4,537.83
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 11, 2020

Narendra Singh
Company Secretary

Manas Datta
Chief Financial Officer

For and on behalf of the Board of Directors

H. F. Khorakiwala
Chairman
DIN: 00045608

Huzaifa Khorakiwala
Executive Director
DIN: 02191870

Murtaza Khorakiwala
Managing Director
DIN: 00102650

Zahabiya Khorakiwala
Non Executive Director
DIN: 00102689

Tasneem Mehta
DIN: 05009664

Baldev Raj Arora
DIN: 00194168

Vinesh Kumar Jairath
DIN: 00391684

Rima Marphatia
DIN: 00444343

Directors

STATEMENT OF PROFIT AND LOSS

For the Year Ended March 31, 2020

(All amounts are in INR Crore, except per share data and unless stated otherwise)

		Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
INCOME FROM CONTINUING OPERATIONS				
I.	Revenue from Continuing operations	25	**890.06**	1,557.41
II.	Other income	26	**43.02**	31.00
III.	**Total Income (I + II)**		**933.08**	1,588.41
IV.	**Expenses from Continuing operations**			
	Cost of materials consumed		**236.70**	417.21
	Purchases of stock-in-trade		**85.20**	282.58
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	**(8.61)**	(5.87)
	Employee benefits expense	28	**325.46**	345.69
	Finance costs	29	**220.17**	170.88
	Depreciation and amortisation expense	4 & 5	**173.39**	119.82
	Exchange fluctuation (gain)/loss, net		**(42.80)**	(3.80)
	Other expenses	30	**427.25**	583.56
	Total Expenses (IV)		**1,416.76**	1,910.07
V.	**Loss before tax from Continuing Operations (III - IV)**		**(483.68)**	(321.66)
VI.	**Tax expense of Continuing Operations**	9		
	For current year		**(50.80)**	(51.10)
	For earlier years		**3.69**	–
	Deferred tax charge/(credit)- Net		**(110.89)**	(93.54)
VII.	**Loss after tax from Continuing Operations (V - VI)**		**(325.68)**	(177.02)
VIII.	**Discontinued Operations**	41		
	Profit from discontinued operation before tax		**145.36**	146.23
	Tax expense of discontinued operations-charge		**50.80**	51.10
	Profit/(Loss) from discontinued operations		**94.56**	95.13
IX.	**Loss for the year (VII + VIII)**		**(231.12)**	(81.89)
X. (i)	**Other Comprehensive Income - Continuing operations**			
	(i) Items that will not be reclassified to profit or loss			
	Remeasurement of net defined benefit (liability)/asset		**6.02**	(0.80)
	(ii) Income tax relating to above items that will not be reclassified to profit or loss-(charge)/credit		**(2.10)**	0.29
	Other Comprehensive Income from continuing operations (Net of tax)		**3.92**	(0.51)
X. (ii)	**Other Comprehensive Income from discontinued operations**			
	(i) Items that will not be reclassified to profit or loss			
	Remeasurement of defined benefit obligations		**(0.17)**	(1.06)
	(ii) Income tax relating to above items that will not be reclassified to profit or loss		**0.06**	0.37
	Other Comprehensive Income from discontinued operations (Net of tax)		**(0.11)**	(0.69)
XI.	**Total Comprehensive (loss)/Income (IX + X) (Comprising (loss)/Profit and Other Comprehensive Income for the year)**		**(227.31)**	(83.09)
	Earnings per equity share of face value of ₹ 5 each	31		
A.	Earnings per equity share (for continuing operations)			
	Basic earnings per share (INR)		**(29.42)**	(16.00)
	Diluted earnings per share (INR)		**(29.42)**	(16.00)
B.	Earnings per equity share (for discontinued operations)			
	Basic earnings per share (INR)		**8.54**	8.60
	Diluted earnings per share (INR)		**8.50**	8.55
C.	Earnings per equity share (for continuing and discontinued operations)			
	Basic earnings per share (INR)		**(20.88)**	(7.40)
	Diluted earnings per share (INR)		**(20.88)**	(7.40)
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 11, 2020

Narendra Singh
Company Secretary

Manas Datta
Chief Financial Officer

For and on behalf of the Board of Directors

H. F. Khorakiwala
Chairman
DIN: 00045608

Huzaifa Khorakiwala
Executive Director
DIN: 02191870

Murtaza Khorakiwala
Managing Director
DIN: 00102650

Zahabiya Khorakiwala
Non Executive Director
DIN: 00102689

Tasneem Mehta
DIN: 05009664

Baldev Raj Arora
DIN: 00194168

Vinesh Kumar Jairath
DIN: 00391684

Rima Marphatia
DIN: 00444343

Directors

STATEMENT OF CHANGES IN EQUITY

For the Year Ended March 31, 2020

(All amounts are in INR Crore, except per share data and unless stated otherwise)

Equity Share Capital

As at April 01, 2018 ₹ in crore	Changes in equity share capital during the year ₹ in crore	As at March 31, 2019 ₹ in crore	Changes in equity share capital during the year ₹ in crore	As at March 31, 2020 ₹ in crore
55.32	0.02	55.34	0.03	**55.37**

Other equity

₹ in crore

	Reserves and Surplus								Total
	Capital Reserves		Capital Redemption Reserve	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, 2018	**172.78**	**43.96**	**489.35**	**56.48**	**36.72**	**260.71**	**(6.80)**	**186.17**	**1,239.37**
Loss for the year	–	–	–	–	–	–	–	(81.89)	(81.89)
Other Comprehensive income for the year - Re-measurement of net defined benefit (liability)/asset	–	–	–	–	–	–	–	(1.20)	(1.20)
Total comprehensive Income	–	–	–	–	–	–	–	(83.09)	(83.09)
Net additions/(deductions) on ESOP options (Also Refer note 39)	–	–	–	4.17	(4.45)	1.86	–	–	1.58
Net additions on Preference shares	–	21.61	–	–	–	–	–	–	21.61
Additions in Foreign Currency Monetary Items Translation Difference Account (FCMITDA)	–	–	–	–	–	–	(22.14)	–	(22.14)
Amortisation from Foreign Currency Monetary Items Translation Difference Account (FCMITDA)	–	–	–	–	–	–	13.96	–	13.96
Balance as on March 31, 2019	**172.78**	**65.57**	**489.35**	**60.65**	**32.27**	**262.57**	**(14.98)**	**103.08**	**1,171.29**
Loss for the year								**(231.12)**	**(231.12)**
Other Comprehensive income for the year - Re-measurement of net defined benefit (liability)/asset	–	–	–	–	–	–	–	3.81	3.81
Total comprehensive Income	–	–	–	–	–	–	–	(227.31)	(227.31)
Net additions/(deductions) on ESOP options (Also Refer note 39)	–	–	–	4.19	(2.30)	0.37	–	–	2.26
Additions in Foreign Currency Monetary Items Translation Difference Account (FCMITDA)	–	–	–	–	–	–	(27.25)	–	(27.25)
Amortisation from Foreign Currency Monetary Items Translation Difference Account (FCMITDA)	–	–	–	–	–	–	20.26	–	20.26
Balance as on March 31, 2020	**172.78**	**65.57**	**489.35**	**64.84**	**29.97**	**262.94**	**(21.97)**	**(124.23)**	**939.25**

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 39 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 - 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 11, 2020

Narendra Singh
Company Secretary

Manas Datta
Chief Financial Officer

For and on behalf of the Board of Directors

H. F. Khorakiwala
Chairman
DIN: 00045608

Huzaifa Khorakiwala
Executive Director
DIN: 02191870

Murtaza Khorakiwala
Managing Director
DIN: 00102650

Zahabiya Khorakiwala
Non Executive Director
DIN: 00102689

Tasneem Mehta
DIN: 05009664

Baldev Raj Arora
DIN: 00194168

Vinesh Kumar Jairath
DIN: 00391684

Rima Marphatia
DIN: 00444343

Directors

WOCKHARDT | LIFE WINS

CASH FLOW STATEMENT

For the Year Ended March 31, 2020

	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2019 ₹ in crore
CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES		
(Loss) before tax from Continuing Operations	**(483.68)**	(321.66)
Profit before tax from Discontinued Operations	**145.36**	146.23
Adjustments for:		
Depreciation and amortisation expense	**174.95**	121.91
Allowance for credit loss	**22.13**	1.10
Advances no more recoverable	**0.01**	–
Provision for doubtful advances	**4.12**	(3.25)
Bad Debts	**3.69**	8.68
Loss on assets sold/write off of fixed assets (net)	**1.61**	0.32
Finance costs	**220.11**	170.63
Net unrealised foreign currency fluctuation loss/(gain)	**(34.06)**	(3.80)
Interest income	**(7.94)**	(12.33)
Employee share based payments	**2.26**	1.58
Liabilities no more payable	**(20.77)**	(1.06)
Fair valuation impact on deposits	**0.02**	3.19
Dividend income*	**–**	–
* Dividend income ₹ 12,600 (Previous year - ₹ 12,600)		
Guarantee fees	**(10.17)**	(13.40)
Operating profit before working capital changes	**17.64**	98.14
Adjustments for changes in Working capital:		
Decrease in Inventories	**28.74**	3.05
Decrease/(Increase) in trade receivables	**88.23**	(191.28)
Decrease in Loans and Advances and other assets	**98.12**	27.83
Increase/(Decrease) in Liabilities and provisions	**85.93**	(22.00)
(Decrease)/Increase in Trade payables	**(96.65)**	167.00
Cash generated from Operations	**222.01**	82.74
Income tax paid	**(0.50)**	(24.41)
Net cash inflow from Operating activities	**221.51**	58.33
CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment, Capital work-in progress and Intangible assets	**(22.23)**	(25.84)
Proceeds from sale of property, plant and equipment	**0.14**	1.75
Investment in subsidiary	**–**	(0.05)
Margin money under lien and Bank balances (other than cash and cash equivalents)	**(0.24)**	135.46
Interest received	**6.18**	9.01
Dividend received*	**–**	–
* Dividend income ₹ 12,600 (Previous year - ₹ 12,600)		
Net cash (outflow)/inflow Investing activities	**(16.15)**	120.33

	Note	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2019 ₹ in crore
CASH FLOW FROM FINANCING ACTIVITIES (Refer note 48)			
Proceeds from Issuance of Equity share capital		**0.03**	0.02
Proceeds from Issuance of preference shares		**–**	250.00
Proceeds from long-term borrowings (other than preference shares above)		**–**	200.00
Redemption of preference shares		**–**	(218.56)
Repayment of long-term borrowings (other than preference shares above)		**(268.31)**	(238.78)
Short-term borrowings (net)		**3.56**	122.84
Loans from Related parties		**208.40**	–
Repayment of Lease liabilities (refer note 3 below)		**(70.41)**	–
Finance costs paid		**(147.56)**	(132.14)
Premium on redemption of preference shares		**–**	(52.78)
Equity Dividend paid (including dividend distribution tax, if any)		**0.32**	(0.02)
Net cash outflow from Financing activities		**(273.97)**	(69.42)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**Note**	**(68.61)**	109.24
Cash and cash equivalents as at the beginning of the year	**13.1**	**177.07**	67.83
CASH AND CASH EQUIVALENTS as at the end of the year	**13.1**	**108.46**	177.07

Reconciliation of cash and cash equivalents as per the cash flow statement

	Note	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents as per above comprise of the following			
Cash	13.1	**0.01**	0.07
Balance with banks:			
– in current account	13.1	**108.45**	106.86
Deposits with maturity of less than 3 months	13.1	**–**	70.14
Balance as per the Statement of cash flows		**108.46**	177.07

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 ₹ 47. 05 crore

   Payment of Principal ₹ 23.36 crore
4. Refer Note 41 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

Narendra Singh
Company Secretary

Manas Datta
Chief Financial Officer

Place : Mumbai
Date : May 11, 2020

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

Tasneem Mehta
DIN: 05009664

Baldev Raj Arora
DIN: 00194168

Vinesh Kumar Jairath
DIN: 00391684

Rima Marphatia
DIN: 00444343

Directors

1. CORPORATE INFORMATION

Wockhardt Limited (the 'Company') is a public limited company incorporated in India and has its registered office at D-4, MIDC, Chikalthana, Maharashtra, India. The Company'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 and UK and a manufacturing facility in Ireland. 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 11, 2020.

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.

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 (including derivative financial instruments) that are measured at fair value.
- share-based payments.
- Certain Property, Plant and equipments measured at fair value which has been considered as deemed cost.
- 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 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 recognised 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 judgment 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 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 recognised 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 realisable whichever is lower. Provision for slow moving inventory is made based on historical experience with old inventory and the utilisation plan of such inventory in the near future

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

Property, plant and equipment and old capital work in progress is assessed for recoverability based on management's utilisation 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.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation which the Company incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

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

II. Subsequent expenditure:

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

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

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

III. Depreciation and amortisation:

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

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

Assets	Estimated useful life
Leasehold land	Over the period of lease
Buildings	30 – 61 years
Plant and Equipment	15 – 21 years
Furniture and Fixtures	16 years
Office Equipments	4 years
Information Technology Equipments	3 – 5 years
Vehicles	3 – 5 years

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

Depreciation method, useful live 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 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 recognised 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 is 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 recognised 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 recognised 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 recognised 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 the Statement of 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 recognised 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 recognised 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 amortised/ 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 recognised amount of any non-controlling interest in the acquiree, less the net recognised 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 recognised 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 recognises 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 realisable 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 realisable 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 recognised 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 recognises revenue when the goods are separately identified and are ready for physical transfer and are kept at warehouses/factories 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 recognised 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.

Royalties

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

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

Insurance claims

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

(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 recognised 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 recognised in connection with share based payment transaction is presented as a separate component in equity under "Share Options Outstanding Account". The amount recognised 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 recognises 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 Company recognises 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 recognised 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 amortised 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 Act.

4. PROPERTY, PLANT AND EQUIPMENT

(₹ in Crore)

Particulars	GROSS BLOCK (At Cost)					ACCUMULATED DEPRECIATION					NET BLOCK	
	As at April 01, 2019	Additions	Deductions/ Adjustments- (Refer note 4.4)	Asset held for sale (Refer note 41B)	**As at March 31, 2020**	As at April 01, 2019	Charge for the year (Refer Note 4.2)	Deductions/ Adjustments	Asset held for sale (Refer note 41B)	**As at March 31, 2020**	**As at March 31, 2020**	As at March 31, 2019
Freehold Land	98.91	–	–	6.51	**92.40**	–	–	–	–	**–**	**92.40**	98.91
Buildings	370.11	3.97	–	11.35	**362.73**	80.55	12.33	–	4.34	**88.54**	**274.19**	289.56
Plant and machinery	1,873.24	83.73	3.94	32.85	**1,920.18**	795.08	94.87	10.09	18.12	**861.74**	**1,058.44**	1,078.16
Furniture and fixtures	31.19	0.09	0.02	1.05	**30.21**	17.91	2.09	0.01	0.73	**19.26**	**10.95**	13.28
Vehicles	7.58	–	–	–	**7.58**	6.77	0.31	–	–	**7.08**	**0.50**	0.81
Office Equipments	15.68	0.84	1.98	0.43	**14.11**	11.69	1.78	–	0.40	**13.07**	**1.04**	3.99
Information Technology Equipments	70.45	1.10	6.78	1.11	**63.66**	59.75	4.90	1.44	1.10	**62.11**	**1.55**	10.70
TOTAL	**2,467.16**	**89.73**	**12.72**	53.30	**2,490.87**	**971.75**	**116.28**	**11.54**	24.69	**1,051.80**	**1,439.07**	**1,495.41**

Right-of-use assets

(₹ in Crore)

Particulars	GROSS BLOCK (At Cost)				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at April 01, 2019 (on account of transition to Ind AS 116)	Additions	Deductions/ Adjustments	**As at March 31, 2020**	As at April 01, 2019 (on account of transition to Ind AS 116)	Charge for the year	Deductions/ Adjustments	**As at March 31, 2020**	**As at March 31, 2020**	As at March 31, 2019
Buildings	549.58	–	2.12	**547.46**	–	52.74	(6.98)	**59.72**	487.74	–
Leasehold Land	100.07	–	–	**100.07**	5.39	1.48	–	**6.87**	93.20	–
TOTAL	**649.65**	**–**	**2.12**	**647.53**	**5.39**	**54.22**	**(6.98)**	**66.59**	**580.94**	**–**
Capital work-in-progress									**305.29**	380.90

(₹ in Crore)

Particulars	GROSS BLOCK (At Cost)				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at April 01, 2018	Additions	Deductions/ Adjustments	As at March 31, 2019	As at April 01, 2018	Charge for the year (Refer Note 4.2)	Deductions/ Adjustments	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Freehold Land	98.91	–	–	98.91		–	–	–	98.91	98.91
Leasehold Land	99.24	–	–	99.24	3.97	1.42	–	5.39	93.85	95.27
Buildings	272.82	97.29	–	370.11	69.72	10.83	–	80.55	289.56	203.10
Plant and machinery	1,672.34	204.85	3.95	1,873.24	702.06	94.90	1.88	795.08	1,078.16	970.28
Furniture and fixtures	29.80	1.39	–	31.19	16.27	1.64	–	17.91	13.28	13.53
Vehicles	6.95	0.63	–	7.58	6.46	0.31	–	6.77	0.81	0.49
Office Equipments	13.16	2.59	0.07	15.68	10.23	1.53	0.07	11.69	3.99	2.93
Information Technology Equipments	63.26	7.30	0.11	70.45	53.03	6.83	0.11	59.75	10.70	10.23
TOTAL	2,256.48	314.05	4.13	2,566.40	861.74	117.46	2.06	977.14	1,589.26	1,394.74
Capital work-in-progress									380.90	653.34

Notes:

4.1 Exchange differences arising on long term foreign currency monetary items relating to depreciable asset adjusted in additions above amounts to ₹ 8.23 crore (Previous year - ₹ 9.59 crore)

4.2 Depreciation pertaining to Discontinued operations included above ₹ 1.56 crore (Previous year - ₹ 2.09 crore)

4.3 Charge has been created against the aforesaid assets for the borrowings taken by the Company (Refer note 17, 20 and 22) and its subsidiary.

4.4 Deductions/Adjustments include reclassification to Plant and Machinery from Office Equipments and Information Technology Equipments amounting ₹ 7.32 crore.

4.5 Of the above, freehold land with gross block and net block of ₹ 0.31 crore and Building with gross block of ₹ 0.90 crore and net block of ₹ 0.55 crore, are in the process of getting transferred in the name of the Company.

5. INTANGIBLE ASSETS

(₹ in Crore)

Particulars	GROSS BLOCK (AT COST)					ACCUMULATED AMORTISATION					NET BLOCK	
	As at April 01, 2019	Additions/ Adjustments	Deductions/ Adjustments	Asset held for sale (Refer note 41B)	**As at March 31, 2020**	As at April 01, 2019	Charge for the year	Deductions/ Adjustments	Asset held for sale (Refer note 41B)	**As at March 31, 2020**	**As at March 31, 2020**	As at March 31, 2019
Brands/Trademarks/ Technical know-how	121.58	–	–	–	**121.58**	121.58	–	–		**121.58**	**–**	–
Computer software	51.86	3.91	–	0.46	**55.31**	26.80	4.45	–	0.28	**30.97**	**24.34**	25.06
TOTAL	**173.44**	**3.91**	**–**	0.46	**176.89**	**148.38**	**4.45**	**–**	0.28	**152.55**	**24.34**	**25.06**

(₹ in Crore)

Particulars	GROSS BLOCK (AT COST)				ACCUMULATED AMORTISATION				NET BLOCK	
	As at April 01, 2018	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2019	As at April 01, 2018	Charge for the year	Deductions/ Adjustments	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Brands/Trademarks/ Technical know-how	121.58	–	–	121.58	121.58	–	–	121.58	–	–
Computer software	50.34	1.52	–	51.86	22.35	4.45	–	26.80	25.06	27.99
TOTAL	171.92	1.52	–	173.44	143.93	4.45	–	148.38	25.06	27.99

6. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

	As at March 31, 2020 ₹ in crore	As at March 31, 2019 ₹ 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)	**8.38**	8.38
27,504,823 (Previous year - 27,504,823) Equity shares of Wockhardt UK Holdings Limited of 1p each fully paid up	**75.27**	75.27
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)	**3.50**	3.50
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)	**0.05**	0.05
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.	**209.62**	209.62
	296.82	296.82
Aggregate book value of unquoted investments	**296.82**	296.82
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**	0.44
(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**	0.01
(Transaction Value: ₹ 0.01 crore; Previous year - ₹ 0.01 crore)		
	0.45	0.45
Aggregate book value of unquoted investments	**0.45**	0.45
TOTAL	**297.27**	297.27

7. LOANS - NON-CURRENT

	As at March 31, 2020 ₹ in crore	As at March 31, 2019 ₹ in crore
(Unsecured, considered good unless otherwise stated)		
Security deposits (Refer note 7.1 below)	**38.16**	40.25
TOTAL	**38.16**	40.25

Note 7.1

Includes deposits with Related parties ₹ 36.11 crore (Previous year - ₹ 37.99 crore).
Also Refer note 42

8. NON CURRENT FINANCIAL ASSETS-OTHERS

	As at March 31, 2020 ₹ in crore	As at March 31, 2019 ₹ in crore
(Unsecured, considered good unless otherwise stated)		
Deposit with maturity of more than 12 months (under Lien)	**–**	0.16
Margin money (under lien)	**1.76**	1.24
Guarantee fees receivable from related party (Refer note 42)	**54.87**	39.23
TOTAL	**56.63**	40.63

9. INCOME TAX

NOTE 9.1

Tax recognised in profit or loss for continuing operations

	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2019 ₹ in crore
Current tax charge/(credit)	**(50.80)**	–
Current tax charge pertaining to earlier years	**3.69**	–
Deferred tax charge/(credit), net		
Origination and reversal of temporary differences including Minimum Alternate Tax (MAT) credit entitlement	**(118.15)**	(68.89)
Deferred tax charge/(credit) pertaining to earlier years	**7.26**	(24.65)
Deferred tax charge/(credit)	**(110.89)**	(93.54)
Tax charge/(credit) for the year	**(158.00)**	(93.54)

Tax recognised in profit or loss for discontinued operations

	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2019 ₹ in crore
Current tax charge/(credit)	**50.80**	51.10
Deferred tax charge/(credit)	**–**	–
Tax charge/(credit) for the year	**50.80**	51.10

NOTE 9.2

Tax recognised in other comprehensive income- Continuing operations

	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2019 ₹ in crore
Items that will not be reclassified to profit or loss		
Remeasurement of the defined benefit plans -(charge)/credit	**(2.10)**	0.29
TOTAL	**(2.10)**	0.29

Tax recognised in other comprehensive income- Discontinued operations

	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2019 ₹ in crore
Items that will not be reclassified to profit or loss		
Remeasurement of the defined benefit plans -(charge)/credit	**0.06**	0.37
TOTAL	**0.06**	0.37

NOTE 9.3

Reconciliation of effective tax rate - Continuing Operations

	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2019 ₹ in crore
Profit/(Loss) before tax (a)	**(483.68)**	(321.66)
Tax using the Company's domestic tax rate (Current year - 34.944% and Previous year - 34.944%)	**(169.02)**	(112.40)
Non-deductible tax expenses	**10.24**	10.67
Incremental deduction allowed for research and development costs	**(10.17)**	(18.26)
Recognition of previously unrecognised tax losses (net)	**–**	(24.65)
Deferred tax charge/(credit) pertaining to earlier years	**7.26**	–
Current tax expense pertaining to earlier years	**3.69**	–
Tax expense as per profit or loss (b)	**(158.00)**	(144.64)
Effective average tax rate for the year (b)/(a)	**32.67%**	44.97%

Reconciliation of effective tax rate - Discontinued Operations

	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2019 ₹ in crore
Profit/(Loss) before tax (a)	**145.36**	146.23
Tax using the Company's domestic tax rate (Current year - 34.944% and Previous year - 34.944%)	**50.79**	51.10
Tax expense as per profit or loss (b)	**50.79**	51.10
Effective average tax rate for the year (b)/(a)	**34.94%**	34.94%

The effective tax rate for the year ended March 31, 2020 was impacted as a result of a weighted deduction on research and development expenses under Section 35(2AB) of the Income Tax Act, 1961 and effect of changes in the claim for opening loss and depreciation.

NOTE 9.4

Movement in deferred tax asset/(liabilities)

	Net balance April 01, 2019	Recognised in profit or loss		Recognised in Other Comprehensive Income		March 31, 2020		
		Continuing Operations	Discontinued Operations	Continuing Operations	Discontinued Operations	Net Deferred tax asset/ (liability)	Deferred tax asset	Deferred tax liability
Deferred tax asset/(liabilities)								
Property, Plant and Equipment	(245.28)	(6.16)		–		(251.44)	–	(251.44)
Unabsorbed losses	169.70	101.84	–	–	–	271.54	271.54	–
Loans and borrowings	(2.74)	(3.68)		–		(6.42)	–	(6.42)
Employee benefits	22.77	(0.04)		(2.10)	0.06	20.69	20.69	–
Lease arrangements	–	10.27		–		10.27	10.27	–
Guarantee fees	1.31	1.13		–		2.44	2.44	–
Allowance for credit loss	23.50	7.73		–		31.23	31.23	–
Other items	2.26	(0.20)		–		2.06	2.06	–
Tax assets/(Liabilities)	**(28.48)**	**110.89**	**–**	**(2.10)**	**0.06**	**80.37**	**338.23**	**(257.86)**
Minimum Alternate Tax (MAT) credit entitlement	167.03	–		–		167.03	167.03	–
Net tax assets/(Liabilities)	**138.55**	**110.89**	**–**	**(2.10)**	**0.06**	**247.40**	**505.26**	**(257.86)**

	Net balance April 01, 2018	Recognised in profit or loss		Recognised in Other Comprehensive Income		March 31, 2019		
		Continuing Operations	Discontinued Operations	Continuing Operations	Discontinued Operations	Net Deferred tax asset/ (liability)	Deferred tax asset	Deferred tax liability
Deferred tax asset/(liabilities)								
Property, Plant and Equipment	(243.27)	(2.01)		–		(245.28)	–	(245.28)
Tax losses	65.50	104.20	–	–	–	169.70	169.70	–
Loans and borrowings	0.14	(2.88)		–		(2.74)	–	(2.74)
Employee benefits	27.69	(5.58)		0.29	0.37	22.77	22.77	–
Guarantee fees	1.14	0.17		–		1.31	1.31	–
Allowance for credit loss	23.12	0.38		–		23.50	23.50	–
Other items	3.00	(0.74)		–		2.26	2.26	–
Tax assets/(Liabilities)	**(122.68)**	**93.54**	**–**	**0.29**	**0.37**	**(28.48)**	**219.54**	**(248.02)**
Minimum Alternate Tax (MAT) credit entitlement	167.03	–		–		167.03	167.03	–
Net tax assets/(Liabilities)	**44.35**	**93.54**	**–**	**0.29**	**0.37**	**138.55**	**386.57**	**(248.02)**

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.

Minimum Alternative Tax (MAT credit) balance as on March 31, 2020 amounts to ₹ 167.03 crore (Previous year - ₹ 167.03 crore). The Company is reasonably certain of availing the said MAT credit in future years against the normal tax expected to be paid in those years.

(ii) Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

(iii) Given that the Company does not have any intention to dispose investments in subsidiaries in the foreseeable future, deferred tax asset on indexation benefit in relation to such investments has not been recognised. Further, the Company does not have any intention to dispose the land on an individual basis, hence deferred tax asset on the indexation benefit on land has not been recognised.

10. OTHER NON-CURRENT ASSETS

	As at March 31, 2020 ₹ in crore	As at March 31, 2019 ₹ in crore
Capital advances	**4.61**	3.17
Security Deposits (Refer note 10.1 below)	**12.94**	13.38
Other advances (Refer note 10.2 below)	**50.05**	79.97
TOTAL	**67.60**	96.52

The above amounts are net of provision amounting ₹ 6.85 crore (Previous year - ₹ 6.85 crore)

Note 10.1

Includes balances with Government authorities amounting ₹ 11.08 crore (Previous year - ₹ 10.98 crore)

Note 10.2

Includes advance rent with related parties ₹ Nil (Previous year - ₹ 27.48 crore); and balances with Government authorities amounting ₹ 49.29 crore (Previous year - ₹ 52.18 crore)

11. INVENTORIES

	As at March 31, 2020 ₹ in crore	As at March 31, 2019 ₹ in crore
Raw Materials, Packing Materials and Components	**99.73**	136.72
Goods-in-transit	**5.69**	4.87
	105.42	141.59
Work-in-progress	**57.56**	40.71
Stock-in-trade	**22.24**	37.99
Finished goods	**83.67**	103.52
Stores and spares	**46.04**	46.23
TOTAL	**314.93**	370.04

Notes:

(a) Inventories are valued at cost or net realisable 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 ₹ 11.89 crore (Previous year - ₹ 4.01 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 41B ₹ 0.19 crore (Previous year - ₹ 0.56 crore).

12. CURRENT FINANCIAL ASSETS-TRADE RECEIVABLES

	As at March 31, 2020 ₹ in crore	As at March 31, 2019 ₹ in crore
Unsecured considered good	**971.91**	1,025.26
Less: Allowance for credit loss	**(32.25)**	(20.25)
Unsecured considered doubtful	**57.13**	47.01
TOTAL	**996.79**	1,052.02
Less: Provisions for Doubtful Debts	**(57.13)**	(47.01)
TOTAL	**939.66**	1,005.01

The above balances include dues from private companies in which any director is a director or a member ₹ 2.26 crore (Previous year - ₹ 1.50 crore). [Also refer note 44 for information about credit risk and market risk of trade receivables]

13.1 CURRENT FINANCIAL ASSETS-CASH AND CASH EQUIVALENTS

	As at March 31, 2020 ₹ in crore	As at March 31, 2019 ₹ in crore
Bank balances		
In current accounts	**108.45**	106.86
Demand deposits (less than 3 months maturity)	**–**	70.14
Cash on hand	**0.01**	0.07
TOTAL	**108.46**	177.07

13.2 CURRENT FINANCIAL ASSETS-OTHER BANK BALANCES

	As at March 31, 2020 ₹ in crore	As at March 31, 2019 ₹ in crore
Deposits with original maturity of more than 3 months but less than 12 months	**0.01**	–
Deposits with original maturity equal to 12 months (under lien)	**0.01**	–
Deposits with original maturity of more than 12 months (under lien - ₹ 45.71 crore; Previous year - ₹ 45.66 crore)	**45.71**	45.66
Margin money (under lien)	**1.06**	1.57
Unpaid dividend accounts	**2.23**	1.91
TOTAL	**49.02**	49.14

14. CURRENT FINANCIAL ASSETS-OTHERS

	As at March 31, 2020 ₹ in crore	As at March 31, 2019 ₹ in crore
(Unsecured, considered good unless otherwise stated)		
Deposits and other receivables	**8.58**	19.72
TOTAL	**8.58**	19.72

15. OTHER CURRENT ASSETS

	As at March 31, 2020 ₹ in crore	As at March 31, 2019 ₹ in crore
(Unsecured, considered good unless otherwise stated)		
Advance to suppliers (Refer note 15.2 below)	**15.70**	13.34
Balances with/receivable from statutory/government authorities	**93.21**	171.19
Other advances (Refer note 15.3 below)	**20.35**	24.43
TOTAL	**129.26**	208.96

Note 15.1

The above amounts are net of provisions amounting ₹ 25.14 crore (Previous year - ₹ 23.88 crore)

Note 15.2

Advances to Suppliers include dues from private companies in which any director is a director or a member ₹ 0.49 crore (Previous year - ₹ 0.36 crore).

Note 15.3

Other advances includes amounts pertaining to related parties ₹ Nil (Previous year - ₹ 3.18 crore).

16. EQUITY SHARE CAPITAL

		As at March 31, 2020 ₹ in crore	As at March 31, 2019 ₹ in crore
[a]	**Authorised share capital**		
	250,000,000 (Previous Year - 250,000,000) Equity shares of ₹ 5/- each	**125.00**	125.00
	TOTAL	**125.00**	125.00

		As at March 31, 2020		As at March 31, 2019	
		Number of Shares	Amount ₹ in crore	Number of Shares	Amount ₹ in crore
[b]	**Issued, Subscribed and Paid up**				
	Equity:				
	Outstanding at the beginning of the year	**110,686,203**	**55.34**	110,630,453	55.32
	Add: Shares issued during the year pursuant to ESOS	**48,800**	**0.03**	55,750	0.02
	Outstanding as at end of the year	**110,735,003**	**55.37**	110,686,203	55.34

Notes:

(a) 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 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.

(b) **Shares reserved for issue under options:**

621,250 (Previous year - 599,300) equity shares of face value ₹ 5 each have been reserved for issue under Wockhardt Stock Option Scheme -2011.

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

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	% of Holding	Number 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.*	**60,497,757**	**54.63%**	60,497,757	54.66%

* includes 29,650,000 Equity Shares (Previous year - 1,250,000) pledged

17. NON-CURRENT FINANCIAL LIABILITY-BORROWINGS

	As at March 31, 2020 ₹ in crore	As at March 31, 2019 ₹ in crore
Secured		
Term Loans		
From Banks (Refer note 17.2 below)	**327.09**	426.88
From Financial Institutions (Refer note 17.1 below)	**188.95**	276.83
Unsecured		
Preference shares (Refer notes 17.5 below)	**–**	233.95
Loans from Department of Science and Technology, Government of India ['GOI'] (Refer notes 17.3 below)	**3.46**	4.27
TOTAL	**519.50**	941.93

Note 17.1

The term loan of USD 40.00 million (Previous year - USD 60.00 million) amounting to ₹ 302.32 crore (Previous year - ₹ 415.25 crore) is secured by first charge on pari passu basis on fixed assets, present and future, located at all locations other than Units at Baddi in Himachal Pradesh and Kadaiya in Daman. This term loan carries interest rate of 6 months USD LIBOR plus 325 BPS p.a. and is repayable in 8 equal quarterly instalments by April 2022.

Note 17.2

The term loan of ₹ 125.00 crore (Previous year - ₹ 175.00 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 Units at Baddi in Himachal Pradesh and Kadaiya in Daman. This term loan carries interest rate at Bank Base Rate plus 75 BPS p.a. and is repayable in 5 equal half yearly instalments by June 2022.

The term loan of ₹ 150.00 crore (Previous year - ₹ 187.50 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 Units at Baddi in Himachal Pradesh and Kadaiya in Daman. This term loan carries interest rate at One Year's MCLR plus 185 BPS p.a and is repayable in 12 equal quarterly instalments by March 2023.

Further, the term loan of ₹ 160 crore (Previous year - ₹ 200 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 Units at Baddi in Himachal Pradesh and Kadaiya in Daman. This term loan carries interest rate at One Year's MCLR plus 110 BPS and is repayable in 16 equal quarterly instalments by March 2024.

Note 17.3

Loans from GOI with interest rate of 3% p.a. is repayable in 10 equal annual instalments. Loan amounting ₹ 0.85 crore (Previous year - ₹ 1.27 crore)is repayable by October 2021 and balance ₹ 3.80 crore (Previous year - ₹ 3.80 crore) is repayable annually by March 2029. Loan amounting ₹ 0.19 crore was repaid in June 2019.

Note 17.4

Current maturities of the above borrowings have been disclosed under Note 22.

Note 17.5

PREFERENCE SHARE

Note 17.5 (i) Details of preference share:

	As at March 31, 2020 No. of Shares	As at March 31, 2019 No. of Shares
AUTHORISED		
Preference shares of ₹ 5/- each	**2,000,000,000**	2,000,000,000
ISSUED, SUBSCRIBED AND PAID UP		
Optionally Convertible Cumulative Redeemable Preference shares (OCCRPS) of ₹ 5/- each fully paid up:		
Shares outstanding as at the beginning of the year	–	121,454,927
Add: Shares issued during the Year	–	–
Less: Shares redeemed during the year	–	(121,454,927)
Shares outstanding as at the end of the year	–	–
Non-Convertible Cumulative Redeemable Preference shares (NCRPS) of ₹ 5/- each fully paid up:		
Shares outstanding as at the beginning of the year	**160,000,000**	475,659,941
Add: Shares issued during the Year	–	–
Less: Shares redeemed during the year	–	(315,659,941)
Shares outstanding as at the end of the year	**160,000,000**	160,000,000
Non-Convertible Non-Cumulative Redeemable Preference shares (NCCRPS) of ₹ 5/- each fully paid up:		
Shares outstanding as at the beginning of the year	**500,000,000**	–
Add: Shares issued during the Year	–	500,000,000
Less: Shares redeemed during the year	–	–
Shares outstanding as at the end of the year	**500,000,000**	500,000,000

Note 17.5 (ii)

During the year ended March 31, 2020, the Company has extended the redemption period by a year from existing redemption period on March 31, 2020 to March 31, 2021 of 160,000,000, 0.01% Non-Convertible Cumulative Redeemable Preference Shares (NCRPS Series 5) together with the redemption premium amounting to ₹ 99. 84 crore, held by the Promoter Group with a right to earlier redemption by giving one month notice by the either parties. Premium of 8% p.a. shall be payable for the extended period upto the date of redemption on the redemption value. The redemption of these preference shares amounting to ₹ 99.84 crore were also extended during the previous year from March 31, 2019 to March 31, 2020 with a similar right of to earlier redemption by giving one month notice by either parties post June 30, 2020. The premium of 4% p.a. during the previous year, was payable for the extended period upto redemption on the redemption value.

Also Refer Note 20 and Note 22.

Note 17.5 (iii)

During the previous year, the Company had allotted 500,000,000 4% Non-Convertible Non-Cumulative Redeemable Preference Shares ('NCCRPS') of Face Value of ₹ 5/- each, at par, on preferential basis, to the Promoter Group for an aggregate amount of ₹ 250 crore in accordance with the approval of the Shareholders of the Company obtained on December 14, 2018. These shares are redeemable at par on December 20, 2020, with an option of early redemption given to the Company after the expiry of 6 months from the allotment date.

Effective interest rate on the above preference shares used for discounting is 9.71%.

Note 17.5 (iv)

During the previous year, the Company had redeemed out of the proceeds of fresh issue of 4% Non-Convertible Non-Cumulative Redeemable Preference Shares ('NCCRPS') referred above, (i) 121,454,927 Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS Series 2) of Face value of ₹ 5 each; and (ii) 315,659,941 Non-Convertible Cumulative Redeemable Preference Shares (NCRPS Series 2 and Series 3) of Face value of ₹ 5 each, as per terms and conditions of the said Preference Shares, on its due date of redemption i.e. December 31, 2018. The redemption amount was ₹ 271.34 crore (including redemption premium of ₹ 52.78 crore).

18. PROVISIONS (Non-current)

	As at March 31, 2020 ₹ in crore	As at March 31, 2019 ₹ in crore
Provision for employee benefits (Refer note 38)		
Leave encashment (unfunded)	**13.14**	17.35
Gratuity (unfunded)	**18.96**	26.91
TOTAL	**32.10**	44.26

19. OTHER NON-CURRENT LIABILITIES

	As at March 31, 2020 ₹ in crore	As at March 31, 2019 ₹ in crore
Advance from Subsidiary against supplies. (Refer note 42 and note 44)	**483.17**	497.27
TOTAL	**483.17**	497.27

20. CURRENT FINANCIAL LIABILITIES-BORROWINGS

Particulars	As at March 31, 2020 ₹ in crore	As at March 31, 2019 ₹ in crore
SECURED		
Working capital facilities from banks (Refer Note 20.1 below)	**558.18**	542.27
Buyers' credit/Supplier's credit (Refer Note 20.2 below)	**9.56**	19.44
UNSECURED		
Loan from related party (Refer Note 20.4 below and Note 42)	**213.22**	–
Preference shares (Refer Note 17.5)	**99.84**	–
TOTAL	**880.80**	561.71

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 by way of mortgage of immovable properties and hypothecation of movable fixed assets, both present and future, located at all locations other than Units at Baddi in Himachal Pradesh and 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 Units at Baddi in Himachal Pradesh and 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 range of 8% p.a to 8.5% p.a carry a tenure of I year and subject to rollover by mutual consent.

21. CURRENT FINANCIAL LIABILITY-TRADE PAYABLES

Particulars	As at March 31, 2020 ₹ in crore	As at March 31, 2019 ₹ in crore
Trade payables:		
Total Outstanding dues of micro enterprises and small enterprises	**34.91**	78.83
Total outstanding dues of creditors other than micro enterprises and small enterprises	**489.45**	539.92
TOTAL	**524.36**	618.75
Note 21.1 DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS PER MSMED ACT, 2006:		
(a) Principal amount due to suppliers under MSMED Act, 2006	**34.91**	78.83
(b) Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	**0.11**	3.80
(c) Payment made to suppliers (other than interest) beyond the appointed day during the year	**10.01**	102.19
(d) Interest paid to suppliers under MSMED Act (Section 16)	**–**	–
(e) Interest due and payable towards suppliers under MSMED Act for payments already made	**13.64**	9.84
(f) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (including interest mentioned in (e) above)	**13.75**	13.64

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

22. CURRENT FINANCIAL LIABILITY-OTHERS

Particulars	As at March 31, 2020 ₹ in crore	As at March 31, 2019 ₹ in crore
Current maturities of long term debt (Refer Note 17 and note 42)	**475.52**	381.08
Unpaid dividend	**2.23**	1.91
Other payables		
Security deposits	**19.64**	19.68
Employee liabilities	**130.43**	59.82
Payable for capital goods	**16.04**	26.82
Other liabilities (includes interest under MSMED Act referred in Note 21.1)	**59.12**	46.25
TOTAL	**702.98**	535.56

23. OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2020 ₹ in crore	As at March 31, 2019 ₹ in crore
Payable for statutory dues	**10.47**	11.85
Advance received from Customers(including advance from Subsidiary) against supplies. (Refer note 42 and note 44)	**61.15**	63.65
TOTAL	**71.62**	75.50

24. PROVISIONS (CURRENT)

Particulars	As at March 31, 2020 ₹ in crore	As at March 31, 2019 ₹ in crore
Provision for employee benefits (Refer note 38)		
Leave encashment (unfunded)	**6.74**	8.03
Gratuity (unfunded)	**7.04**	10.71
	13.78	18.74
Other provisions (Refer note 24.1 below)		
Provision for sales returns	**30.07**	16.67
	30.07	16.67
TOTAL	**43.85**	35.41
Note 24.1		
Movement of provision for sales return		
Opening Balance	**16.67**	15.96
Recognised during the year	**31.45**	18.45
Utilised during the year	**(18.05)**	(17.74)
Closing Balance	**30.07**	16.67

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

25. REVENUE FROM CONTINUING OPERATIONS (REFER NOTE 40 AND 42)

Particulars	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2019 ₹ in crore
Sale of products	**704.36**	1,423.13
Sale of services	**69.71**	73.95
Outlicensing fees	**91.38**	2.94
Sale of intellectual property	**13.65**	38.95
Other operating income - export incentives	**10.96**	18.44
TOTAL	**890.06**	1,557.41

26. OTHER INCOME

Particulars	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2019 ₹ in crore
Interest income	**7.93**	12.33
Dividend received*	**–**	–
* ₹ 12,600 (Previous year - ₹ 12,600)		
Other non-operating income (Refer note below)	**35.09**	18.67
TOTAL	**43.02**	31.00

Notes:

Other non-operating income includes:

(a) Liabilities no more payable of ₹ 20.77 crore (Previous year - ₹ 1.06 crore);

(b) Guarantee fees ₹ 10.17 crore (Previous year - ₹ 13.40 crore) (Refer note 42)

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

Particulars	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2019 ₹ in crore
Opening Inventories		
Finished goods	**103.52**	58.27
Stock in trade	**37.99**	69.71
Work-in-progress	**40.71**	59.27
Less: Discontinued Operations	**(22.13)**	(33.20)
TOTAL	**160.09**	154.05
Closing Inventories		
Finished goods	**83.67**	103.52
Stock in trade	**22.24**	37.99
Work-in-progress	**57.56**	40.71
Less: Discontinued Operations	**–**	(22.30)
Add: Adjustment for Sales Return	**5.23**	–
TOTAL	**168.70**	159.92
(Increase)/Decrease in Inventories	**(8.61)**	(5.87)

28. EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2019 ₹ in crore
Salaries and wages (Refer note 38)	**295.80**	304.88
Contribution to provident and other funds (Refer note Note 38)	**14.44**	17.15
Share based payments to employees (Refer note Note 39)	**2.26**	1.58
Staff welfare expenses	**12.96**	22.08
TOTAL	**325.46**	345.69

29. FINANCE COSTS

Particulars	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2019 ₹ in crore
Interest expense		
On term loan	**71.63**	71.45
On lease liabilities	**47.00**	–
Others	**95.44**	94.63
Other borrowing costs	**5.58**	4.01
Net loss on foreign currency transactions and translation	**0.52**	0.79
TOTAL	**220.17**	170.88

30. OTHER EXPENSES

Particulars	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2019 ₹ in crore
Traveling and conveyance	**28.54**	44.01
Freight and forwarding charges	**23.94**	29.86
Sales promotion and other selling cost	**14.02**	22.07
Commission on sales	**4.73**	9.16
Power and fuel	**61.02**	66.34
Stores and spare parts consumed	**11.97**	21.12
Chemicals	**14.35**	23.60
Rent	**26.71**	96.20
Rates and taxes	**7.22**	1.18
Repairs to buildings	**1.43**	5.51
Repairs to Plant and machinery	**6.82**	16.71
Repairs and Maintenance - others	**16.10**	19.11
Insurance	**7.84**	10.06
Legal and professional fees	**49.43**	34.36
Directors' sitting fees (Refer note 42)	**0.91**	0.86
Material for test batches	**3.72**	3.50
Equipment/Utility hire charges (Refer note 42)	**15.30**	18.47
Novation of Outlicensing Rights (Refer note 42)	**21.10**	20.76
Allowance for credit loss	**22.13**	1.10
Miscellaneous expenses (Refer note 32, Note 49 and 50)	**89.97**	139.58
TOTAL	**427.25**	583.56

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, 2020 ₹ in crore	For the year ended March 31, 2019 ₹ in crore
Profit/(loss) attributable to equity holders of the Company from Continuing Operations	**(325.68)**	(177.02)
Profit/(loss) attributable to equity holders of the Company from Discontinued Operations	**94.56**	95.13
Profit/(loss) attributable to equity holders of the Company	**(231.12)**	(81.89)

Reconciliation of number of equity shares

Particulars	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2019 ₹ in crore
Weighted average number of shares in calculating Basic EPS	**110,718,437**	110,663,343
Add: Weighted average number of shares under ESOS	**491,427**	575,699
Weighted average number of equity shares in calculating diluted EPS	**111,209,864**	111,239,042

Particulars	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2019 ₹ in crore
Earnings per share (face value ₹ 5/- each) from Continuing operations		
Earnings per share - Basic in Rupees	**(29.42)**	(16.00)
Earnings per share - Diluted in Rupees	**(29.42)**	(16.00)
Earnings per share (face value ₹ 5/- each) from Discontinued operations		
Earnings per share - Basic in Rupees	**8.54**	8.60
Earnings per share - Diluted in Rupees	**8.50**	8.55
Earnings per share (face value ₹ 5/- each)		
Earnings per share - Basic in Rupees	**(20.88)**	(7.40)
Earnings per share - Diluted in Rupees	**(20.88)**	(7.40)

32. AUDITOR'S REMUNERATION (EXCLUDING GOODS AND SERVICE TAX)

Particulars	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2019 ₹ in crore
Audit Fees	**1.27**	0.74
Tax Audit Fees*	**0.25**	0.25
Other services	**0.08**	0.56
Out of pocket expenses	**0.05**	0.03
TOTAL	**1.65**	1.58

* previous year includes tax audit fees pertaining to FY 2017-18 ₹ 0.03 crore and FY 2016-17 ₹ 0.03 crore approved in previous year.

33. 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.

34. LEASES

Effective April 01, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 01, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right-of-use asset at value equal to the lease liability subject to the adjustments for prepayments and accruals. The Company has also not restated the comparative information. For leases classified as finance lease, the carrying value of the lease asset and lease liability as at April 01, 2019, has been carried forward without change under the new standard.

Consequent to the new standard, the Company has reported Right-of-Use assets amounting ₹ 644.25 crore (including reclassification of Leasehold land) and Lease liability amounting to ₹ 519.75 crore as on April 01, 2019.

Also Refer note 4 for details of Right-of-Use Assets and depreciation thereon.

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

	₹ in crore
Non-current portion	**424.87**
Current portion	**69.41**
TOTAL	**494.28**

The weighted average incremental borrowing rate used for discounting is 9.65% p.a.

Refer Note 29 for Interest on Lease Liabilities

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

(1) 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.

(2) The Company has applied Ind AS 116 only to contracts that were previously identified as leases under Ind AS 17.

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 ₹ 0.05 crore and rent for low value assets amounting to ₹ 0.50 crore have been included under "Note 30 - Other expenses" under "Rent".

During previous year, Annual commitments disclosed for lease payments under non-cancellable operating leases for less than one year amounted to ₹ 67.56 crore. The estimated lease period under Ind AS 116 for the aforesaid leases however have been revised, discounted and accounted for as per requirements of the aforesaid standard. Further, Refer note 44 for maturity profile of lease liabilities.

35. 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, 2020		As at March 31, 2019		Purpose
	USD in Million	₹ in crore	USD in Million	₹ in crore	
Wockhardt Bio AG	**300.00**	**2,267.40**	300.00	2,076.23	Against the loan taken by the subsidiary (Also Refer note 47)

	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2019 ₹ in crore
36. Capital expenditure on Research and Development	**1.12**	3.00

37. 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, 2020 ₹ in crore	For the year ended March 31, 2019 ₹ in crore
Chemicals and consumables	**7.12**	15.13
Employee cost	**87.82**	89.24
Travelling expenses	**4.07**	6.91
Power and fuel	**14.00**	16.95
Repair and maintenance	**2.52**	6.46
Printing and stationery	**0.27**	0.41
Communication expenses	**0.37**	0.59
Clinical trial expenses	**5.59**	8.14
Analysis expenses	**0.33**	1.42
Legal and professional expenses	**0.28**	0.98
Other Research and Development expenses	**14.18**	23.10
TOTAL	**136.55**	169.33

38. 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, 2020 Gratuity (Non-funded) ₹ in crore	For the year ended March 31, 2019 Gratuity (Non-funded) ₹ in crore
I.	**Expenses recognised in statement of profit and loss:**			
	1.	Current Service Cost	**3.24**	3.29
	2.	Interest cost	**2.16**	2.47
	3.	Past service cost	**–**	–
		Total Expenses (1)	**5.40**	5.76
		(1) balances pertaining to discontinued operations: Gratuity ₹ 1.79 crore (Previous year- ₹ 2.10 crore)		
II.	**Expenses/(credit) recognised in Other Comprehensive Income:**			
	1.	Actuarial changes arising from changes in demographic assumptions	**(0.40)**	–
	2.	Actuarial changes arising from changes in financial assumptions	**(5.25)**	0.39
	3.	Actuarial changes arising from changes in experience adjustments	**(0.20)**	1.47
		Total Expenses(2)	**(5.85)**	1.86
		(2) balances pertaining to discontinued operations: Gratuity ₹ 0.17 crore (Previous year- ₹ 1.06 crore)		
III.	**Net Asset/(Liability) recognised as at balance sheet date:**			
	1	Present value of defined benefit obligation*	**32.95**	37.62
		Net Asset/(Liability) *	**(32.95)**	(37.62)
		* includes Balance pertaining to discontinued operations classified as Liabilities held for sale ₹ 6.95 crore in current year		
IV.	**Reconciliation of Net Asset/(Liability) recognised as at balance sheet date:**			
	1.	Net Asset/(Liability) at the beginning of year	**(37.62)**	(34.38)
	2.	Expense as per (I) and (II) above	**0.45**	(7.62)
	3.	Balance pertaining to discontinued operations classified as Liabilities held for sale	**–**	–
	4.	Benefit paid	**4.22**	4.38
	5.	Net asset/(liability) at the end of the year	**(32.95)**	(37.62)
V.	**Maturity profile of defined benefit obligation**			
	1	Within the next 12 months (next annual reporting period)	**14.64**	10.71
	2	Between 2 and 5 years	**14.29**	22.22
	3	Between 6 and 10 years	**7.80**	9.60
	4	Beyond 10 years	**–**	3.16
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 (continuing and discontinued operations)		
		(i) 0.5% point increase in discount rate	**(0.59)**	(1.07)
		(ii) 0.5% point decrease in discount rate	**0.59**	1.15
		(iii) 0.5% point increase in rate of salary increase	**0.57**	1.06
		(iv) 0.5% point decrease in rate of salary increase	**(0.57)**	(1.01)
		(v) 10 % point increase in attrition rate	**0.13**	(0.03)
		(vi) 10 % point decrease in attrition rate	**(0.18)**	0.04
	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, 2020 Gratuity (Non-funded) ₹ in crore	For the year ended March 31, 2019 Gratuity (Non-funded) ₹ in crore
VII.	Actuarial Assumptions:			
	1.	Discount rate	6.00%	6.76%
	2.	Expected rate of salary increase	4.00% p.a. for next 1 year & 3.00% p.a. thereafter	8.00%
	3.	Attrition rate	35% at lower service reducing to 16% at higher service	26.00%
	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%	Indian Assured Lives Mortality (2006-08) Ultimate

Notes:

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

Gratuity ₹ 5.40 crore (Previous year - ₹ 5.76 crore) and Leave encashment ₹ 5.22 crore (Previous year - ₹ -7.13 crore)

(The above balances include balances pertaining to discontinued operations: Gratuity ₹ 1.79 crore (Previous year- ₹ 2.10 crore; Leave encashment ₹ 4.00 crore (Previous year - ₹ 4.12 crore)

(b) The estimates of future salary increases considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(c) The plan above is typically exposed to actuarial risk such as interest risk, Mortality risk, Liquidity risk and salary risk

- Interest risk: The decrease in the interest rate linked to Government securities will increase the liability.
- Mortality risk: An increase in the life expectancy of the plan participants will increase the plan's liability.
- Liquidity risk: Retirement/resignation of Plan participants with higher salaries and long duration or higher in hierarcy may lead strain in the cashflows due to significant accumulation of their accumulated benefits.
- 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, 2020 ₹ in crore	For the year ended March 31, 2019 ₹ in crore
Provident fund	17.87	17.79
Others (Employee State insurance and other funds)	2.24	4.27
TOTAL	20.11	22.06

Amount pertaining to discontinued operations mentioned in Note 41 ₹ 5.67 crore (Previous year- ₹ 4.91 crore)

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

39. SHARE BASED PAYMENTS TO EMPLOYEES

The Compensation Committee of the Board of Directors has, under Wockhardt Stock Option Scheme-2011 ('the Scheme' or 'ESOS') granted 60,000 options @ ₹ 397/- per option (Grant 1), another 60,000 options @ ₹ 365/- per option (Grant 2), 1,420,000 options @ ₹ 5/- per option (Grant 3), 350,000 options @ ₹ 5/- per option (Grant 4), 8,500 options @ ₹ 5/- per option (Grant 5), 200,000 options @ ₹ 5/- per option (Grant 6), 223,500 options @ ₹ 5/- per option (Grant 7) and 76,000 options @ ₹ 5/- per option (Grant 8) 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 the compensation committee of Board of directors.

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

Employee stock option activity under Scheme 2011 is as follows:

Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
(a)	Outstanding at beginning of the year	**599,300**	747,000
(b)	Granted during the year	**76,000**	–
(c)	Lapsed during the year (re-issuable) *	**5,250**	91,950
(d)	Exercised during the year *	**48,800**	55,750
(e)	Outstanding at the end of the year:	**621,250**	599,300
	of which Options vested and exercisable at the end of the year	**428,350**	381,000
* weighted average exercise price ₹ 5 per share			
Range of weighted average share price on the date of exercise per share		**₹ 263.00 - ₹ 393.35**	₹ 634.67 - ₹ 655.18
Weighted average share price for the period		**311.61**	574.05
Range of weighted average fair value of options on the date of grant per share		**₹ 106.47 - ₹ 1,949.76**	₹ 106.47 - ₹ 1,949.76

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

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Net loss as reported in Statement of Profit and Loss (from continuing operations) (₹ crore)	**(325.68)**	(177.02)
Basic earnings per share as reported (₹)	**(29.42)**	(16.00)
Diluted earnings per share as reported (₹)	**(29.42)**	(16.00)
Fair value of the options have been computed as per the Black Scholes Pricing Model		
The key assumptions used to estimate the fair value of options are:		
Range of stock price at the time of option grant (₹ Per share)	**₹ 414 - ₹ 1,954.20**	₹ 414 - ₹ 1,954.20
Range of expected life	**1.50 years - 7.75 years**	1.50 years - 7.75 years
Range of risk free interest rate	**7.43% - 8.64 %**	7.43% - 8.64 %
Range of Volatility	**36% - 88%**	36% - 88%
Range of weighted average exercise price (₹ Per share)	**₹ 5.00 - ₹ 37.65**	₹ 5.00 - ₹ 37.65
Range of weighted average remaining contractual life	**1.01 years - 8.03 years**	1.01 years - 8.03 years

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

40. REVENUE:

(a) Effective April 01, 2018, the Company has adopted Ind AS 115: "Revenue from Contracts with Customers" that has become mandatorily applicable for reporting periods beginning on or after April 01, 2018 replacing the existing revenue recognition standard. The new standard establishes principles for reporting information about the nature, timing and uncertainty of revenue and also the cash flows arising from contract with customers.

As per the new Standard, 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. Shelf stock adjustments which primarily cover the inventory held at the time the price decline becomes effective are recorded when the decline becomes effective. 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 Company is not significant.

  Variable components such as discounts, 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, 2020**	For the year ended March 31, 2019
Total revenue from Customers	**879.10**	1,538.97
Other Operating income	**10.96**	18.44
TOTAL	**890.06**	1,557.41

(c) **Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:**

Particulars	**For the year ended March 31, 2020**	For the year ended March 31, 2019
Total Gross revenue, net of estimated returns as refered in Note 24.	**888.44**	1,543.81
Less: Discounts	**(9.34)**	(4.84)
Revenue from contract with customers	**879.10**	1,538.97
Other Operating income	**10.96**	18.44
TOTAL	**890.06**	1,557.41

41. DISCONTINUED OPERATIONS AND ASSET HELD FOR SALE:

The Board of Directors, in their meeting held on February 12, 2020 approved the Business transfer agreement (BTA) between the Company and Dr. Reddy's Laboratories Limited (DRL) for divestment of part of Domestic Branded Business comprising of 62 products and line extensions, related assets and liabilities including manufacturing facility at Baddi, Himachal Pradesh, India, for a consideration of ₹ 1,850 crore. Further, the transaction has since been approved by the Shareholders of the Company vide postal ballot dated March 16, 2020. The transaction is subject to approval from the Lenders of the Company and other conditions precedent and is expected to be completed by 1st quarter of FY 2020-21. Accordingly the aforesaid business has been reported as discontinued operations, and its identified assets and liabilities and assets and liabilities of Baddi plant are classified as assets held for sale.

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

Particulars	**For the year ended March 31, 2020**	For the year ended March 31, 2019
Revenue including other income	**481.16**	592.54
Expenses	**335.80**	446.31
Profit before income tax	**145.36**	146.23
Income tax (expense)/credit	**50.80**	51.10
Profit/(Loss) after income tax	**94.56**	95.13

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

Particulars	**For the year ended March 31, 2020**	For the year ended March 31, 2019
Net cash inflow from operating activities	**153.14**	157.78
Net cash outflow from investing activities	**(0.41)**	(0.99)
Net cash inflow from financing activities	**–**	–

B. Assets and liabilities held for sale:

Particulars	**As at March 31, 2020**	As at February 11, 2020
Non-Current Assets:		
Property, Plant and Equipment	**28.61**	27.90
Capital Work-in-Progress	**0.50**	1.36
Other Intangible Assets	**0.18**	0.18
Current Assets:		
Inventories of Raw materials, Packing materials and Finished goods	**26.37**	28.14
Other Financial Assets	**0.96**	0.98
Other Current Assets	**0.02**	0.02
Assets classified as held for sale	**56.64**	58.58
Non-Current Liabilities:	**–**	–
Current Liabilities:		
Other current financial liabilities	**0.06**	0.06
Provisions	**11.36**	9.46
Liabilities classified as held for sale	**11.42**	9.52

Note: Fair value of assets as on February 11, 2020 and March 31, 2020 is more than its carrying value.

42. 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 (formerly, Wockhardt UK 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 (formerly esparma GmbH)
10 Wockhardt Europe Limited
11 Wockhardt Nigeria Limited
12 Wockhardt USA LLC (formerly Wockhardt USA Inc.)
13 Wockhardt UK Limited
14 Wockpharma Ireland Limited
15 Pinewood Laboratories Limited
16 Pinewood Healthcare Limited
17 Laboratoires Negma S.A.S. (formerly Negma Lerads 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. (formerly 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 (formerly Wockhardt EU Operations (Swiss) AG)
29 Wockhardt Bio (R) LLC
30 Wockhardt Bio Pty Limited
31 Wockhardt Bio Limited
32 Wockhardt Medicines Limited (w.e.f March 25, 2019)

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 (formerly Tohfaa Gifting 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]

Key managerial personnel

H.F. Khorakiwala- Chairman
Shekhar Datta- Non-Executive Independent Director (upto March 31, 2019)
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
Vinesh Kumar Jairath- Non-Executive Independent Director
Zahabiya Khorakiwala - Non-Executive Non- Independent Director
Huzaifa Khorakiwala - Executive Director
Murtaza Khorakiwala - Managing Director
Rima Marphatia (Nominee Director from EXIM) (w.e.f. May 06, 2019)

		For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2019 ₹ in crore
(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)		
	Subsidiary Companies (including step down subsidiaries)		
	Management and Technical fees [CP Pharmaceuticals Limited ₹ 0.62 crore (Previous year - ₹ 0.24 crore), Wockhardt UK Limited ₹ 0.78 crore (Previous year - ₹ 0.60 crore), Wockhardt USA LLC ₹ 0.20 crore (Previous year - ₹ 0.33 crore), Wockhardt Bio AG ₹ 3.96 crore (Previous year - ₹ 5.62 crore), Pinewood Laboratories Limited ₹ 1.30 crore (Previous year - ₹ 1.41 crore), Morton Grove Pharmaceuticals, Inc. ₹ 0.73 crore (Previous year - ₹ 0.71 crore), Wockhardt Bio (R) LLC ₹ 0.22 crore (Previous year - ₹ Nil)]	**7.81**	8.91
	Sales [CP Pharmaceuticals Limited ₹ 0.10 crore (Previous year - ₹ 1.28 crore), Wockhardt Bio AG ₹ 72.99 crore (Previous year - ₹ 217.19 crore), Pinewood Laboratories Limited ₹ 20.00 crore (Previous year - ₹ 41.05 crore), Wockhardt Bio (R) LLC ₹ 19.17 crore (Previous year - ₹ 13.11 crore), Morton Grove Pharmaceuticals, Inc. ₹ 0.05 crore (Previous year - ₹ Nil)]	**112.31**	272.63
	Rent and Utility fees to Wockhardt Infrastructure Development Limited	**30.02**	33.05
	Outlicensing fees income from Wockhardt Bio AG	**91.38**	2.94
	Research and Development service income from Wockhardt Bio AG	**61.86**	64.97
	Guarantee fees income from Wockhardt Bio AG	**10.70**	14.63
	Land Premium to Wockhardt Infrastructure Development Limited	**0.03**	0.03
	Purchase of fixed assets [Morton Grove Pharmaceuticals, Inc. ₹ 0.05 crore (Previous year- ₹ Nil), Wockhardt Bio AG ₹ 3.97 crore (Previous year- ₹ 0.01 crore)]	**4.02**	0.01
	Expenses recovered [Morton Grove Pharmaceuticals, Inc. ₹ 0.42 crore (Previous year- ₹ 0.49 crore), Wockhardt USA LLC ₹ 0.03 crore (Previous year - ₹ 0.03 crore), Wockhardt Bio AG ₹ 0.59 crore (Previous year - ₹ 0.80 crore), CP Pharmaceuticals Limited ₹ 0.03 crore (Previous year - ₹ 0.02 crore), Wockhardt UK Limited ₹ 0.30 crore (Previous year- ₹ 0.13 crore), Pinewood Laboratories Limited ₹ 0.13 crore (Previous year - ₹ 0.07 crore), Wockhardt Bio (R) LLC ₹ 0.10 crore (Previous year - ₹ 0.03 crore)]	**1.60**	1.57
	Reimbursement of expenses [Wockhardt Bio AG ₹ 10.72 crore (Previous year - ₹ 0.54 crore), CP Pharmaceuticals Limited ₹ 3.00 crore (Previous year - ₹ 0.06 crore), Wockhardt USA LLC ₹ 2.65 crore (Previous year - ₹ Nil), Wockhardt Bio (R) LLC ₹ 0.76 crore (Previous year - ₹ 0.36 crore)]	**17.13**	0.96
	Purchase of raw material/consumables [CP Pharmaceuticals Limited ₹ Nil (Previous year - ₹ 0.09 crore), Wockhardt Bio AG ₹ 0.28 crore (Previous year- ₹ Nil)]	**0.28**	0.09
	Sale of fixed assets to Wockhardt Bio AG	**–**	1.65
	Investment in Equity shares of Wockhardt Medicines Limited	**–**	0.05
	Novation of Outlicensing Rights charged by Wockhardt Bio AG	**21.10**	20.76
	Security Deposit repaid by Wockhardt Infrastructure Development Limited	**10.00**	–
	Advances received against Export of Goods and Services from Wockhardt Bio AG	**2.10**	187.54
	Advances adjusted against Export of Goods and Services to Wockhardt Bio AG	**28.72**	200.34
	Key managerial personnel		
	Remuneration [Chairman ₹ 2.80 crore (Previous year - ₹ 2.80 crore), Managing Director ₹ 2.40 crore (Previous year - ₹ 2.40 crore), Executive Director ₹ 2.40 crore (Previous year - ₹ 2.40 crore)]	**7.60**	7.60
	Contribution to Provident fund [Chairman ₹ 0.20 crore (Previous year - ₹ 0.32 crore), Managing Director ₹ 0.20 crore (Previous year - ₹ 0.27 crore), Executive Director ₹ 0.20 crore (Previous year - ₹ 0.27 crore)]	**0.60**	0.86
	Remuneration payable [Chairman ₹ 0.13 crore (Previous year - ₹ Nil), Managing Director ₹ 0.09 crore (Previous year - ₹ Nil), Executive Director ₹ 0.09 crore (Previous year - ₹ Nil)]	**0.31**	–

	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2019 ₹ in crore
Director sitting fee paid [Shekhar Datta ₹ Nil (Previous year - ₹ 0.11 crore), D S Brar ₹ 0.14 crore (Previous year - ₹ 0.12 crore), Sanjaya Baru ₹ 0.14 crore (Previous year - ₹ 0.09 crore), Tasneem Mehta ₹ 0.15 crore (Previous year - ₹ 0.12 crore), Baldev Raj Arora ₹ 0.15 crore (Previous year - ₹ 0.14 crore), Aman Mehta ₹ 0.09 crore (Previous year - ₹ 0.12 crore), Vinesh Kumar Jairath ₹ 0.15 crore (Previous year - ₹ 0.14 crore), Zahabiya Khorakiwala ₹ 0.04 crore (Previous year- ₹ 0.02 crore), Rima Marphatia ₹ 0.05 crore (Previous year - ₹ Nil)]	**0.91**	0.86
Reimbursement of Expenses to D S Brar	**0.01**	0.01
Other parties exercising control		
Issue of Non-Convertible Non- Cumulative Redeemable Preference Shares (NCCRPS) to Humuza Consultants	**–**	200.00
Dividend on preference shares to Humuza Consultants	**8.00**	2.19
Loan taken from Humuza Consultants	**125.00**	–
Interest on Loan from Humuza Consultants	**2.72**	–
Enterprise over which Key Managerial Personnel exercise significant influence/Control		
Rent paid [Palanpur Holdings and Investments Private Limited ₹ 0.92 crore (Previous year - ₹ 0.92 crore), Wockhardt Hospitals Limited ₹ 0.36 crore (Previous year - ₹ 0.72 crore), Carol Info Services Limited ₹ 75.08 crore (Previous year - ₹ 70.57 crore)]*	**76.36**	72.21
* rent paid has been disclosed as Right-of-use assets and Lease liabilities in accrodance with Ind AS 116		
Contribution and reimbursement of expenses given to Wockhardt Foundation	**0.56**	4.54
Donation paid to Dr. Habil Khorakiwala Education and Health Foundation (Trust)	**1.08**	0.34
Reimbursement of Expenses [Wockhardt Hospitals Limited ₹ 0.02 crore (Previous year - ₹ 0.09 crore), Carol Info Services Limited ₹ 1.68 crore (Previous year - ₹ 1.78 crore), The Peace Mission Private Limited (formerly Tohfaa Gifting Private Limited) ₹ 0.09 crore (Previous year - ₹ 0.56 crore)]	**1.79**	2.43
Rent and other miscellaneous income [Wockhardt Hospitals Limited ₹ 0.04 crore (Previous year - ₹ 0.03 crore), Wockhardt Foundation ₹ 0.003 crore (Previous year - ₹ 0.004 crore), Dr. Habil Khorakiwala Education and Health Foundation (Trust) ₹ 0.003 crore (Previous year - ₹ 0.003 crore)]	**0.05**	0.04
Recovery of expenses from Wockhardt Hospitals Limited	**–**	0.09
Sale of Finished goods to Wockhardt Hospitals Limited	**0.02**	–
Salary paid to the teaching staff of Wockhardt Global School	**2.59**	2.81
The Company has given school premises on lease to Wockhardt Global School without rent		
Dividend on preference shares to Khorakiwala Holdings and Investments Private Limited	**5.84**	16.55
Advance to Carol Info Services Limited	**–**	5.05
Advances recovered from Carol Info Services Limited	**–**	5.05
Loan taken from [Khorakiwala Holdings and Investments Private Limited ₹ 25.00 crore (Previous year - ₹ Nil), Merind Limited ₹ 58.40 crore (Previous year - ₹ Nil)]	**83.40**	–
Interest on loan taken [Khorakiwala Holdings and Investments Private Limited ₹ 1.39 crore (Previous year - ₹ Nil), Merind Limited ₹ 1.25 crore (Previous year - ₹ Nil)]	**2.64**	–
Issue of Non-Convertible Non-Cumulative Redeemable Preference Shares (NCCRPS) to Khorakiwala Holdings and Investments Private Limited	**–**	50.00
Redemption of Non-Convertible Cumulative Redeemable Preference Shares (NCRPS) issued to Khorakiwala Holdings and Investments Private Limited	**–**	21.62
Premium paid on Redemption of above Preference Shares	**–**	7.69
Redemption of Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) issued to Khorakiwala Holdings and Investments Private Limited	**–**	9.26
During the year ended March 31, 2020, the Company has extended the redemption period by a year from existing redemption period on March 31, 2020 to March 31, 2021 of 160,000,000, 0.01% Non-Convertible Cumulative Redeemable Preference Shares (NCRPS Series 5) together with the redemption premium amounting to ₹ 99.84 crore, held by the Promoter Group with a right to earlier redemption by giving one month notice by the either parties. Premium of 8% p.a. shall be payable for the extended period upto the date of redemption on the redemption value. The redemption of these preference shares amounting to ₹ 99.84 crore were also extended during the previous year from March 31, 2019 to March 31, 2020 with a similar right of to earlier redemption by giving one month notice by either parties post June 30, 2020. The premium of 4% p.a. during the previous year, was payable for the extended period upto redemption on the redemption value.		

(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. These balances were presented on net basis during the previous year).

	As at March 31, 2020 ₹ in crore	As at March 31, 2019 ₹ in crore
Subsidiary Companies (including step down subsidiaries)		
Trade receivables [CP Pharmaceuticals Limited ₹ 1.58 crore (Previous year - ₹ 0.78 crore), Z&Z Services GmbH ₹ 0.09 crore (Previous year - ₹ 0.08 crore), Wockhardt USA LLC ₹ 1.78 crore (Previous year - ₹ 1.40 crore), Wockhardt Bio Pty Limited ₹ 0.02 crore (Previous year - ₹ 0.02 crore), Wockhardt Bio AG ₹ 644.72 crore (Previous year - ₹ 520.69 crore), Wockhardt UK Limited ₹ 1.29 crore (Previous year - ₹ 0.25 crore), Pinewood Laboratories Limited ₹ 19.60 crore (Previous year- ₹ 41.92 crore), Wockhardt Bio (R) LLC ₹ 12.70 crore (Previous year - ₹ 29.31 crore), Morton Grove Pharmaceuticals, Inc. ₹ 0.17 crore (Previous year - ₹ 3.76 crore), Laboratoires Negma S.A.S. ₹ 0.66 crore (Previous year - ₹ 0.62 crore), Wockhardt Farmaceutica SA DE CV. ₹ 5.63 crore (Previous year - ₹ 5.16 crore)]	**688.24**	603.99
Trade payables [CP Pharmaceuticals Limited ₹ 12.41 crore (Previous year - ₹ 8.93 crore), Wockhardt USA LLC ₹ 0.01 crore (Previous year - ₹ 0.01 crore), Wockhardt Bio AG ₹ 35.33 crore (Previous year - ₹ 56.63 crore), Wockhardt UK Limited ₹ 4.71 crore (Previous year - ₹ 4.55 crore), Wockhardt Infrastructure Development Limited ₹ 27.65 crore (Previous year - ₹ 17.48 crore), Pinewood Laboratories Limited ₹ 18.78 crore (Previous year- ₹ 13.55 crore), Wockhardt Bio (R) LLC ₹ 0.90 crore (Previous year - ₹ 0.24 crore), Morton Grove Pharmaceuticals, Inc. ₹ 3.00 crore (Previous year - ₹ 2.67 crore)]	**102.79**	104.06
Payable for capital goods [CP Pharmaceuticals Limited ₹ 2.55 crore (Previous year - ₹ 2.46 crore), Wockhardt Bio AG ₹ 2.86 crore (Previous year - ₹ Nil), Pinewood Laboratories Limited ₹ 1.72 crore (Previous year- ₹ 1.62 crore), Morton Grove Pharmaceuticals, Inc. ₹ Nil (Previous year - ₹ 11.61 crore)]	**7.13**	15.69
Advance from Subsidiary against supplies [Wockhardt USA LLC ₹ 6.67 crore (Previous year - ₹ 6.67 crore), Wockhardt Bio AG ₹ 518.21 crore (Previous year - ₹ 544.83 crore)]	**524.88**	551.50
Guarantee fees receivable from Wockhardt Bio AG [Carrying amount ₹ 54.87 crore (Previous year - ₹ 39.23 crore)]	**57.40**	42.18
Security deposit given to Wockhardt Infrastructure Development Limited - Transaction value [Carrying amount ₹ 0.85 crore (Previous year - ₹ 5.04 crore)]	**6.85**	16.85
Enterprise over which Key Managerial Personnel exercise significant influence/Control		
Trade receivables [Wockhardt Hospitals Limited ₹ 0.05 crore (Previous year - ₹ 0.001 crore), Wockhardt Foundation ₹ 0.003 crore (Previous year - ₹ 0.01 crore), Dr. Habil Khorakiwala Education and Health Foundation (Trust) ₹ 0.04 crore (Previous year - ₹ 0.04 crore), Merind Limited ₹ Nil (Previous year - ₹ 0.57 crore)]	**0.09**	0.62
Trade Payables [Wockhardt Hospitals Limited ₹ 0.63 crore (Previous year - ₹ 0.13 crore), Carol Info Services Limited ₹ 2.68 crore (Previous year - ₹ 1.09 crore), Palanpur Holdings and Investments Private Limited ₹ 1.65 crore (Previous year - ₹ 0.66 crore), The Peace Mission Private Limited ₹ 0.02 crore (Previous year- ₹ 0.01 crore)]	**4.98**	1.89
Loan taken [Merind Limited ₹ 59.53 crore (Previous year - ₹ Nil), Khorakiwala Holdings and Investments Private Limited ₹ 26.25 crore (Previous year- ₹ Nil), Humuza Consultants ₹ 127.44 crore (Previous year- ₹ Nil)]	**213.22**	-
Preference shares [Khorakiwala Holdings and Investments Private Limited ₹ 130.00 crore (Previous year- ₹ 130.00 crore), Humuza Consultants ₹ 200.00 crore (Previous year- ₹ 200.00 crore) [Carrying amount: Khorakiwala Holdings and Investments Private Limited ₹ 149.62 crore (Previous year - ₹ 142.79 crore), Humuza Consultants ₹ 200.30 crore (Previous year - ₹ 187.16 crore)]	**330.00**	330.00
Security deposit given to Carol Info Services Limited - Transaction value [Carrying amount ₹ 32.51 crore (Previous year - ₹ 30.21 crore)]	**55.50**	55.50
Security deposit given to Palanpur Holdings and Investments Private Limited	**2.75**	2.75
Corporate guarantees/comfort for financial assistance given on behalf of subsidiaries/step down subsidiaries - Refer note 46(h) and 47		

43. 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.

(₹ in crore)

March 31, 2020	Carrying amount				Total Fair value
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised Cost	Total	Total
Financial Assets					
Investments	0.45	–	–	0.45	0.45
Loans	–	–	38.16	38.16	50.07
Other Non-Current Financial Assets	–	–	56.63	56.63	56.16
Trade receivables	–	–	939.66	939.66	939.66
Cash and cash equivalents	–	–	108.46	108.46	108.46
Bank balance (other than above)	–	–	49.02	49.02	49.02
Other Current Financial Assets	–	–	8.58	8.58	8.58
TOTAL	**0.45**	**–**	**1,200.51**	**1,200.96**	**1,212.40**
Financial Liabilities					
Borrowings	–	–	1,400.30	1,400.30	1,400.30
Trade payables	–	–	524.36	524.36	524.36
Lease Liabilities	–	–	494.28	494.28	532.16
Other Financial Liabilities	–	–	702.98	702.98	702.98
TOTAL	**–**	**–**	**3,121.92**	**3,121.92**	**3,159.80**

(₹ in crore)

March 31, 2020	Fair value			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial Assets				
Investments	–	–	**0.45**	**0.45**
Loans	–	**50.07**	–	**50.07**
Other Non-Current Financial Assets	–	**56.16**	–	**56.16**
Trade receivables	–	–	–	–
Cash and cash equivalents	–	–	–	–
Bank balance (other than above)	–	–	–	–
Other Current Financial Assets	–	–	–	–
TOTAL	–	**106.23**	**0.45**	**106.68**
Financial Liabilities				
Borrowings	–	**1,400.30**	–	**1,400.30**
Trade payables	–	–	–	–
Lease Liabilities	–	**532.16**	–	**532.16**
Other Financial Liabilities	–	–	–	–
TOTAL	–	**1,932.46**	–	**1,932.46**

(₹ in crore)

March 31, 2019	Carrying amount				Total Fair value
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised Cost	Total	Total
Financial Assets					
Investments	0.45	–	–	0.45	0.45
Loans	–	–	40.25	40.25	43.36
Other Non-Current Financial Assets	–	–	40.63	40.63	40.66
Trade receivables	–	–	1,005.01	1,005.01	1,005.01
Cash and cash equivalents	–	–	177.07	177.07	177.07
Bank balance (other than above)	–	–	49.14	49.14	49.14
Other Current Financial Assets	–	–	19.72	19.72	19.72
TOTAL	0.45	–	1,331.82	1,332.27	1,335.41
Financial Liabilities					
Borrowings	–	–	1,503.64	1,503.64	1,503.64
Trade payables	–	–	618.75	618.75	618.75
Lease Liabilities	–	–	–	–	–
Other Financial Liabilities	–	–	535.56	535.56	535.56
TOTAL	–	–	2,657.95	2,657.95	2,657.95

(₹ in crore)

March 31, 2019	Fair value			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial Assets				
Investments	–	–	0.45	0.45
Loans	–	43.36	–	43.36
Other Non-Current Financial Assets	–	40.66	–	40.66
Trade receivables	–	–	–	–
Cash and cash equivalents	–	–	–	–
Bank balance (other than above)	–	–	–	–
Other Current Financial Assets	–	–	–	–
TOTAL	–	84.02	0.45	84.47
Financial Liabilities				
Borrowings	–	1,503.64	–	1,503.64
Trade payables	–	–	–	–
Lease Liabilities	–	–	–	–
Other Financial Liabilities	–	–	–	–
TOTAL	–	1,503.64	–	1,503.64

B. Measurement of fair values:

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

– The fair values of the loans taken from banks and other parties, and preference shares is estimated by discounting cash flows using rates currently available for debt/instruments on similar terms, credit risks and remaining maturities. Management regularly assesses a range of reasonably possible alternatives for those significant observable inputs and determines their impact on the total fair value.

– The fair value of Investment in Unquoted Equity shares of Narmada Clean Tech Limited (formerly known as Bharuch Eco-Aqua Infrastructure Limited) and Bharuch Enviro Infrastructure Limited are taken as cost of acquisition considering the statutory requirement of regulatory authorities relating to purchase and restriction on transfer. The change in the unobservable inputs for unquoted equity instruments does not have a significant impact in its value.

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

Financial instruments measured at fair value

Type	Valuation technique
Preference shares	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.
Lease deposits and Lease liabilities	
Guarantee commission	

44. 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 an internal Risk Committee. Key risks and their mitigation arising out of periodic reviews by the Committee are assessed and reported to the Audit Committee, on a periodic basis.

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

The Company has 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, 2020 and March 31, 2019, the Company did not have any significant concentration of credit risk with any external customers except Wockhardt Bio AG that accounts for 69% of total trade receivables during current year (Previous year: 50%).

Expected credit loss assessment for customers as at March 31, 2020 and March 31, 2019:

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, 2020				As at March 31, 2019			
	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	**88.07**	**1.08**	**86.99**	**0.94%**	309.29	1.82	307.46	0.59%
Past due 1-180 days	**286.36**	**6.44**	**279.92**	**2.25%**	168.81	3.12	165.69	1.85%
Past due 181-360 days	**72.13**	**5.96**	**66.17**	**8.26%**	83.96	2.32	81.64	2.76%
More than 360 days	**582.49**	**75.91**	**506.58**	**13.03%**	510.19	60.00	450.22	11.76%
TOTAL	**1,029.05**	**89.39**	**939.66**		1,072.25	67.26	1,005.01	

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

Particulars	March 31, 2020 ₹ in crore	March 31, 2019 ₹ in crore
Opening balance	**67.26**	66.15
Impairment loss recognised	**25.82**	9.80
Impairment loss reversed	**(3.69)**	(8.69)
Closing balance	**89.39**	67.26

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 ₹ 157.48 crore (Previous year - ₹ 226.21 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. The Company invests its surplus funds in bank fixed deposit.

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

(₹ in crore)

March 31, 2020		Contractual cash flows			
	Carrying amount	Total	0-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities					
Term loans from banks/Financial Institutions (including interest)*	740.05	846.84	278.69	568.15	–
Other borrowings (excluding preference shares)	14.45	14.98	10.96	2.39	1.63
Preference shares	349.92	367.05	367.05	–	–
Working capital loans from banks (repayable on demand)	558.18	558.18	558.18	–	–
Loan from related party	213.22	213.22	213.22	–	–
Lease Liabilities	494.28	877.30	72.91	320.02	484.37
Trade payables and other Current Financial Liabilities	751.82	751.82	751.82	–	–
TOTAL	**3,121.92**	**3,629.39**	**2,252.83**	**890.56**	**486.00**

Also issued financial guarantee of ₹ 2,267.40 crore for loan taken by its subsidiary which is repayable by January 2022 **

(₹ in crore)

March 31, 2019	Carrying amount	Contractual cash flows Total	0-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities					
Term loans from banks/Financial Institutions (including interest)*	987.64	1,143.03	352.80	790.23	–
Other borrowings (excluding preference shares)	24.86	25.54	20.54	2.93	2.07
Preference shares	329.95	373.85	103.10	270.75	–
Working capital loans from banks (repayable on demand)	542.27	542.27	542.27	–	–
Trade payables and other Current Financial Liabilities	773.23	773.23	773.23	–	–
TOTAL	**2,657.95**	**2,857.92**	**1,791.94**	**1,063.91**	**2.07**

Also issued financial guarantee of ₹ 2,076.23 crore for loan taken by its subsidiary which is repayable by January 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 respective subsidiary. These amounts will be payable on default by the concerned subsidiary. As of the reporting date, none of the subsidiary have defaulted and hence, the Company does not have any present obligation to third parties in relation to such guarantees.

iii. Market risk

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

(a) Currency risk:

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

As per the policy defined by the Board of Directors and monitored by a committee as nominated by Board, the Company enters into foreign currency forward contracts which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables/ receivables.

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

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2020 and March 31, 2019 are as below:

Particulars	Currency	As at March 31, 2020 Amount in Foreign Currency (in million)	₹ in crore	As at March 31, 2019 Amount in Foreign Currency (in million)	₹ in crore
Loan Availed	EUR	**0.05**	**0.41**	0.35	2.73
	USD	**41.78**	**315.75**	63.32	438.24
Trade Receivables	ACU	**0.08**	**0.59**	–	–
	AUD	**0.004**	**0.02**	0.02	0.09
	CHF	**–**	**–**	0.03	0.21
	EUR	**2.47**	**20.43**	5.70	44.26
	GBP	**0.31**	**2.87**	1.92	17.34
	USD	**93.90**	**709.68**	98.33	680.54
	RUB	**131.52**	**12.70**	273.34	29.27
Loans and Other Receivables	USD	**7.59**	**57.40**	6.09	42.18
	CHF	**0.05**	**0.41**	0.05	0.34

Particulars	Currency	As at March 31, 2020		As at March 31, 2019	
		Amount in Foreign Currency (in million)	₹ in crore	Amount in Foreign Currency (in million)	₹ in crore
Trade payables and Other Liabilities	ACU	**0.01**	**0.04**	0.01	0.08
	EUR	**3.65**	**30.23**	2.64	20.51
	GBP	**2.64**	**24.65**	2.24	20.20
	JPY	**2.02**	**0.14**	0.35	0.02
	USD	**9.88**	**74.68**	15.66	108.40
	RUB	**11.46**	**1.11**	7.57	0.81
	SGD	**–**	**–**	0.0002	0.001
	AUD	**0.01**	**0.04**	0.01	0.04

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 March 31, 2020	Profit or loss before tax Gain/(Loss)		Equity, gross of tax Increase/ (Decrease)	
	Strengthening of ₹	Weakening of ₹	Strengthening of ₹	Weakening of ₹
5 % movement				
USD	**(30.95)**	**30.95**	**(18.83)**	**18.83**
GBP	**1.09**	**(1.09)**	**1.09**	**(1.09)**
EUR	**0.51**	**(0.51)**	**0.51**	**(0.51)**
RUB	**(0.58)**	**0.58**	**(0.58)**	**0.58**
Others	**(0.04)**	**0.04**	**(0.04)**	**0.04**
TOTAL	**(29.97)**	**29.97**	**(17.85)**	**17.85**

(₹ in crore)

Effect in INR March 31, 2019	Profit or loss before tax Gain/(Loss)		Equity, gross of tax Increase/(Decrease)	
	Strengthening of ₹	Weakening of ₹	Strengthening of ₹	Weakening of ₹
5 % movement				
USD	(29.88)	29.88	(8.80)	8.80
EUR	0.14	(0.14)	0.14	(0.14)
GBP	(1.05)	1.05	(1.05)	1.05
RUB	(1.42)	1.42	(1.42)	1.42
Others	(0.02)	0.02	(0.02)	0.02
TOTAL	(32.23)	32.23	(11.15)	11.15

The Company has outstanding receivables of USD 85.30 million (₹ 644.72 crore) from its foreign subsidiary. Further, it also has an outstanding advance received for supply of goods of USD 90.83 million (₹ 498.83 crore) from this subsidiary. The Company awaits approval from Reserve Bank of India/concerned authorised dealer for adjustment of such receivables and payable/advances. Pending such approval these are reported gross in the balance sheet and the balances of monetary items are translated at year end rates in accordance with requirements of Ind AS 21.

(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, 2020	As at March 31, 2019
Variable-rate instruments		
Financial liabilities	**1,298.24**	1,529.91
	1,298.24	1,529.91
Fixed-rate instruments		
Financial liabilities	**577.59**	354.81
	577.59	354.81

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, 2020**	For the year ended March 31, 2019
100 bp increase	**(12.98)**	(15.30)
100 bp decrease	**12.98**	15.30

45. 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, 2020	As at March 31, 2019
Total liabilities	**1,875.82**	1,884.72
Less: Cash and cash equivalent and other bank balances	**157.48**	226.21
Adjusted net debt	**1,718.34**	1,658.51
Total equity	**994.62**	1,226.63
Adjusted equity	**994.62**	1,226.63
Adjusted net debt to adjusted equity ratio	**1.73**	1.35

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, 2020 ₹ 75.67 crore (Previous year: ₹ 76.49 crore) and is not available for distribution to dividend.

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

(a) Demands by Central Excise authorities in respect of Classification/Valuation/Cenvat Credit related disputes; stay orders have been obtained by the Company in case of demands ₹ 44.64 crore (Previous year - ₹ 44.62 crore).

(b) Demand by Income tax authorities ₹ 266.78 crore (Previous year - ₹ 114.77 crore) disputed by the Company.

(c) Demand by Sales Tax authorities ₹ 88.20 crore (Previous year - ₹ 90.83 crore) disputed by the Company.

(d) Demand by Service tax authorities in respect of non-payment of Service Tax on Import of certain services disputed by the Company ₹ 0.88 crore (Previous year - ₹ 1.03 crore).

(e) Commercial dispute on a supply contract filed with London Court of International Arbitration disputed by the Company ₹ 46.72 crore (5 million GBP) [Previous year - ₹ 45.10 crore (5 million GBP)].

(f) Claims against Company not acknowledged as debt in respect of:
- electricity expense ₹ 7.12 crore (Previous year - ₹ 6.62 crore)
- remediation against the pollution of ground water ₹ 0.85 crore (Previous year - ₹ 0.85 crore)
- environmental compensation against non-compliance of water/air pollution measures ₹ 2.00 crore (Previous year - ₹ Nil)

(g) Demand from National Pharmaceutical Pricing Authority (NPPA) in respect of overcharging of certain products disputed by the Company ₹ 75.04 crore (Previous year - ₹ 70.76 crore).

(h) Comfort to extend financial support, subject to certain approvals, to one of its subsidiaries towards credit facilities availed by the subsidiary, the impact of which is currently not ascertainable.

(i) 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.

(j) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 34.86 crore (Previous year - ₹ 64.35 crore) after deducting advance on capital account of ₹ 7.10 crore (Previous year - ₹ 3.17 crore).

47. The Company has given a corporate guarantee on behalf of its subsidiary Wockhardt Bio AG for the outstanding loan of USD 125.00 million (₹ 944.75 crore) [Previous year - USD 187.50 million (₹ 1,297.64 crore)] which is 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 Baddi in Himachal Pradesh and on Fixed Deposits of ₹ 45.00 crore (excluding interest) in India.

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

₹ in crore

Particulars	As at March 31, 2020	As at April 01, 2019	Non cash changes		Reclassification	Other items considered separately	Cash flows-inflow/ (Outflow)
			Exchange fluctuation	Fair value/Ind AS adjustments			
Long-term borrowings (Net)	**995.02**	1,323.01	27.25	11.08	(99.84)	1.83	(268.31)
Short-term borrowings (Net)	**880.80**	561.71	0.27	–	99.84	7.02	211.96

₹ in crore

Particulars	As at March 31, 2019	As at April 01, 2018	Non cash changes		Other items considered separately	Cash flows-inflow/ (Outflow)
			Exchange fluctuation	Fair value/Ind AS adjustments		
Long-term borrowings (Net)	1,323.01	1,336.17	31.75	(37.45)	(0.12)	(7.34)
Short-term borrowings (Net)	561.71	437.09	1.40	–	0.38	122.84

49. Donations for Political purpose made during the year and included in Note 30 under Miscellaneous expenses:

Purchase of Electoral Bonds ₹ 2.00 crore (Previous year - ₹ Nil).

50. As part of Corporate Social Responsibility (CSR), the Company has made voluntary contribution of ₹ 1.64 crore during the year for spending on CSR activities to Wockhardt Foundation and Dr. Habil Khorakiwala Education and Health Foundation. During the previous year, the Company was required to spend ₹ 0.62 crore for CSR activities and accordingly had made a payment of ₹ 4.21 crore to Wockhardt Foundation. The aforesaid amount has been included in Note 30 under 'Miscellaneous expenses', being contribution and other expenses (Also Refer note 42).

51. Certain manufacturing facilities, having net book value of ₹ 183.55 crore (Previous year - ₹ 200.20 crore) and capital work in progress amounting to ₹ 286.31 crore (Previous year - ₹ 353.25 crore), of the Company continues to be affected due to regulatory alert from US FDA and are currently not being used for alternate purposes. The investment in these plants had been made considering the market feasibility and the potential of existing/future products in pipeline. Upon approval from regulatory authority, the Company would be able to utilise the above mentioned manufacturing facilities to produce and supply products to US market.

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

53. Previous year figures have been regrouped wherever necessary to conform to current year classification. Further these figures have been audited by predessor auditor who have expressed an unqualified opinion.

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 11, 2020

Narendra Singh
Company Secretary

Manas Datta
Chief Financial Officer

For and on behalf of the Board of Directors

H. F. Khorakiwala
Chairman
DIN: 00045608

Huzaifa Khorakiwala
Executive Director
DIN: 02191870

Murtaza Khorakiwala
Managing Director
DIN: 00102650

Zahabiya Khorakiwala
Non Executive Director
DIN: 00102689

Tasneem Mehta
DIN: 05009664

Baldev Raj Arora
DIN: 00194168

Vinesh Kumar Jairath
DIN: 00391684

Rima Marphatia
DIN: 00444343

Directors

CONSOLIDATED FINANCIAL HIGHLIGHTS

(₹ in crore except ratios, dividend and earnings per share)

Year-end Financial Position	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Net Fixed Assets (incl. CWIP)	**5,087**	4,504	4,321	4,017	3,845	3,149	3,024	2,523	3,506	3,468
Deferred Tax Assets/(Liabilities)	**398**	242	149	133	98	(53)	(7)	24	(101)	73
Investments	**–**	–	–	–	–	3	3	3	91	90
Total	**5,485**	4,746	4,470	4,150	3,943	3,099	3,020	2,550	3,496	3,631
Current Assets and other non current assets – (1)	**2,662**	3,054	3,658	4,831	4,131	3,788	3,597	3,490	2,656	2,073
Current Liabilities and other non current liabilities – (2)	**1,894**	1,434	1,193	1,115	1,157	1,017	994	1,265	1,189	912
Net Current Assets	**768**	1,620	2,465	3,716	2,974	2,771	2,603	2,225	1,467	1,161
Sub-Total	**6,254**	6,366	6,935	7,866	6,917	5,870	5,623	4,775	4,963	4,792
Foreign Currency Translation Reserve	**(356)**	(280)	(268)	(171)	(301)	(145)	(197)	(2)	24	183
Profit & Loss Account	**–**	–	–	–	–	–	–	–	–	–
TOTAL CAPITAL EMPLOYED	**5,898**	**6,086**	**6,667**	**7,695**	**6,616**	**5,725**	**5,426**	**4,773**	**4,987**	**4,975**
Capital										
– Equity	**55**	55	55	55	55	55	55	55	55	55
– Preference	**–**	–	–	–	–	299	298	298	761	745
Total	**55**	55	55	55	55	354	353	353	816	800
Reserves	**2,261**	2,339	2,529	3,111	3,419	3,217	3,031	2,349	679	326
NET WORTH	**2,316**	**2,394**	**2,584**	**3,166**	**3,474**	**3,571**	**3,384**	**2,702**	**1,495**	**1,126**
Non-controlling Interests	**386**	330	346	382	465	144	136	–	–	–
Borrowings										
– Secured	**2,846**	3,027	3,391	3,843	2,402	2,004	1,900	2,054	3,271	3,379
– Unsecured (Includes Preference Capital from FY 2014-15 onwards)	**350**	335	346	304	275	6	6	17	221	470
Total	**3,196**	3,362	3,737	4,147	2,677	2,010	1,906	2,071	3,492	3,849
TOTAL SOURCES	**5,898**	**6,086**	**6,667**	**7,695**	**6,616**	**5,725**	**5,426**	**4,773**	**4,987**	**4,975**
Summary of Operations (including discontinued operations)										
Revenue from operations	**3,325**	4,158	3,937	4,015	4,453	4,481	4,830	5,721	4,614	3,751
Other Income	**39**	21	120	114	66	67	39	51	23	16
TOTAL INCOME	**3,364**	**4,179**	**4,057**	**4,129**	**4,519**	**4,548**	**4,869**	**5,772**	**4,637**	**3,767**
Material Consumed	**1,326**	1,814	1,797	1,662	1,614	1,488	1,806	1,814	1,682	1,516
Personnel Cost	**869**	937	937	967	951	869	769	663	589	550
Other expenses	**886**	1,272	1,258	1,360	1,379	1,298	1,276	1,128	903	776
EBITDA (Including other income)	**283**	156	65	140	575	893	1,018	2,167	1,463	925
Interest Expense (Including exchange fluctuation)	**254**	290	198	238	144	173	37	243	290	130
Depreciation	**226**	166	150	149	142	145	140	125	122	117
Profit Before Tax & Exceptional Items	**(197)**	(300)	(283)	(247)	289	575	841	1,799	1,051	678
Exceptional Items – loss/(gain)	**–**	–	358	–	–	–	(50)	(62)	474	574
PROFIT BEFORE TAX	**(197)**	**(300)**	**(641)**	**(247)**	**289**	**575**	**891**	**1,861**	**577**	**104**
Tax (Expense)/Credit	**153**	83	(26)	21	(38)	(162)	(48)	(266)	(235)	(8)
PROFIT AFTER TAX BEFORE SHARE OF PROFIT / (LOSS) OF ASSOCIATES AND NON-CONTROLLING INTERESTS	**(43)**	**(217)**	**(667)**	**(226)**	**251**	**413**	**843**	**1,595**	**342**	**96**
Share in Profit / (Loss) of Associate Companies	**–**	**–**	–	–	1	–	–	(1)	1	(5)
Non-controlling Interests – Profit / (Loss)	**26**	(22)	(59)	(30)	(1)	(8)	(2)	–	–	–
PROFIT AFTER TAX AFTER SHARE OF PROFIT / (LOSS) OF ASSOCIATES AND NON-CONTROLLING INTERESTS	**(69)**	**(195)**	**(608)**	**(196)**	**251**	**405**	**841**	**1,594**	**343**	**91**
IMPORTANT RATIOS										
Current Assets : Liabilities – [(1)/(2)]	**1.41**	2.13	3.07	4.33	3.57	3.72	3.62	2.76	2.23	2.27
Debt : Total Equity	**1.05**	1.12	1.17	1.12	0.63	0.52	0.51	0.72	2.37	4.08
PBT/Turnover %	**(5.9%)**	(7.2%)	(16.3%)	(6.2%)	6.5%	12.8%	18.4%	32.5%	12.5%	2.8%
Return (PBIT) on Capital Employed %	**0.9%**	(0.2%)	(6.4%)	(0.1%)	6.3%	12.7%	16.5%	44.1%	17.5%	4.9%
No. of Equity Shares (in crore)	**11.07**	11.07	11.06	11.05	11.05	11.01	10.97	10.96	10.94	10.94
Dividend (per share)	**–**	–	–	10.00	–	20.00	10.00	5.00	–	–
Basic Earnings (per share)	**(6.25)**	(17.58)	(55.01)	(17.71)	22.71	36.81	76.6	145.6	31.3	8.3
Net Worth (per share)	**209.18**	216.3	233.6	286.5	314.4	324.3	308.5	246.6	136.6	102.9

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, 2020

[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, papers, minute books, forms and returns filed with the Registrar of Companies ('the ROC') and other relevant records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company, during the audit period covering the financial year ended on 31st March, 2020, has prima facie complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the statutory registers, papers, 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, 2020 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

Though the following laws are prescribed in the format of Secretarial Audit Report by the Government, the same were not applicable to the Company for the financial year ended 31st March, 2020:

- (a) The Securities and Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008;
- (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

(vi) I further report that, based on the Compliance Report of various Laws submitted by Department Heads of the Company, the Company has, inter-alia, complied with the following laws:

- (a) The Drug and Cosmetic Act, 1945 and Rules
- (b) The Drug and Magic Remedies Act, 1954
- (c) Narcotic Drugs and Psychotropic Substances Act, 1985
- (d) Factories Act, 1948 and rules framed there under
- (e) The Hazardous Waste (Management & Handling) Rules 1989 under the Environment Protection Act, 1986
- (f) The Pharmacy Act, 1948
- (g) Bio-Medical Waste (Management and Handling) Rules, 1998
- (h) Food Safety and Standards Act, 2016 and rules
- (i) Applicable Labour Laws

(vii) I have also examined compliance with the applicable clauses of the following:

(a) The Listing agreements entered into by the Company with Stock Exchanges read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(b) Secretarial Standards 1 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. mentioned above.

I further report that I have not examined the Financial Statement, 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, 2020.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

I further report that as per the information provided prima facie adequate notice is given to all directors to schedule the Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on agenda items before the meeting and for meaningful participation at the meeting.

I further report that as per the minutes of the meetings, majority decisions of the Board were unanimous and no dissenting views were found as part of the minutes.

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

I further report that the management is responsible for compliances of all business laws. This responsibility includes maintenance of statutory registers/ records required by the concerned authorities and internal control of the concerned department.

I further report that, during the year ended 31st March, 2020, the Company has extended the redemption period by a year from existing redemption period on 31st March, 2020 to 31st March, 2021 of 160,000,000, 0.01% Non-Convertible Cumulative Redeemable Preference Shares (NCRPS Series 5) together with the redemption premium amounting to ₹ 99.84 crore, held by the Promoter Group with a right to earlier redemption by giving one month notice by the either parties. Premium of 8% p.a. shall be payable for the extended period upto the date of redemption on the redemption value.

I further report that, during the period under review, postal ballot was conducted by the Company for seeking the approval of the shareholders of the Company for transfer the Business Undertaking, a division of the Company, to Dr. Reddy's Laboratories Limited under Section 180(1)(a) of the Companies Act, 2013. The resolution has been passed by majority on 16th March, 2020.

I further report that, during the period under review, the promoters of the Company have created pledge on part of Equity Shares held by them in the Company. Further, pledge on some Equity Shares have also been released as per contractual terms.

I further report that during the period under review, there were no instances of:

i) Public / Rights / debentures / sweat equity, except allotment of Equity Shares under Employee Stock Option scheme.
ii) Buy- Back of Securities.
iii) Merger / Reconstruction etc.
iv) 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.

Virendra Bhatt
ACS No – 1157
COP No – 124

Place : Mumbai
Date : 11th May, 2020
UDIN : A001157B000223071

ANNEXURE II TO THE BOARD'S REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

(i)	**CIN**	L24230MH1999PLC120720
(ii)	**Registration Date**	8th July, 1999
(iii)	**Name of the Company**	Wockhardt Limited
(iv)	**Category/Sub-Category of the Company**	Public Company limited by shares
(v)	**Address of the Registered office and Contact details**	D-4 MIDC, Chikalthana, Aurangabad – 431006. Tel: 91-240-6694444; Fax: 91-240-2489219
(vi)	**Whether listed company (Yes/No)**	Yes
(vii)	**Name, Address and Contact details of Registrar and Transfer Agent, if any**	Link Intime India Private Limited C-101, 247 Embassy Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083 Tel No : +91 22 49186270 Fax No : +91 22 49186060 Email id : wockhardt@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the Company
1.	Pharmaceuticals	21002	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held [Refer Notes 1 & 2]	Applicable Section of Companies Act, 2013
1.	Wockhardt Infrastructure Development Limited Wockhardt Towers, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051	U24230MH1991 PLC060162	Subsidiary (Direct)	100%	2(87)
2.	Wockhardt UK Holdings Limited Ash Road North, Wrexham Industrial Estate, Wrexham LL13 9UF, Wales, United Kingdom	N.A	Subsidiary (Direct)	100%	2(87)
3.	CP Pharmaceuticals Limited@ Ash Road North, Wrexham Industrial Estate, Wrexham LL13 9UF, Wales, United Kingdom	N.A	Subsidiary (Indirect)	85.85%	2(87)
4.	CP Pharma (Schweiz) AG @ Grafenauweg 6, 6300 ZUG, Switzerland	N.A	Subsidiary (Indirect)	85.85%	2(87)
5.	Wallis Group Limited Ash Road North, Wrexham Industrial Estate, Wrexham LL13 9UF, Wales, United Kingdom	N.A	Subsidiary (Indirect)	100%	2(87)
6.	The Wallis Laboratory Limited Ash Road North, Wrexham Industrial Estate, Wrexham LL13 9UF, Wales, United Kingdom	N.A	Subsidiary (Indirect)	100%	2(87)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held [Refer Notes 1 & 2]	Applicable Section of Companies Act, 2013
7.	Pinewood Healthcare Limited@ Ash Road North, Wrexham Industrial Estate, Wrexham LL13 9UF, Wales, United Kingdom	N.A	Subsidiary (Indirect)	85.85%	2(87)
8.	Wockhardt Farmaceutica Do Brasil Ltda Rua Antonio Loureiro, No. 346 - Room 18, Neighbourhood - Vila Santa Catarina, São Paulo, Brazil CEP - 04376-110	N.A	Subsidiary (Indirect)	100%	2(87)
9.	Wallis Licensing Limited Ash Road North, Wrexham Industrial Estate, Wrexham LL13 9UF, Wales, United Kingdom	N.A	Subsidiary (Indirect)	100%	2(87)
10.	Z&Z Services GmbH@ Seepark 7, D-39116 Magdeburg, Germany	N.A	Subsidiary (Indirect)	85.85%	2(87)
11.	Wockhardt Europe Limited Trident Chambers, P O Box 146, Wickham's Cay 1, Road Town, Tortola British Virgin Islands	N.A	Subsidiary (Direct)	100%	2(87)
12.	Wockhardt Nigeria Limited 38, Fatai Irawo Street, Ajao Estate, Lagos, Nigeria	N.A	Subsidiary (Indirect)	100%	2(87)
13.	Wockhardt USA LLC@ 20 Waterview Boulevard, Parsippany NJ 07054 – U.S.A	N.A	Subsidiary (Indirect)	85.85%	2(87)
14.	Wockhardt Bio AG Grafenauweg 6 6300 ZUG, Switzerland	N.A	Subsidiary (Direct)	85.85%	2(87)
15.	Wockhardt UK Limited@ Ash Road North, Wrexham Industrial Estate, Wrexham LL13 9UF, Wales, United Kingdom	N.A	Subsidiary (Indirect)	85.85%	2(87)
16.	Wockpharma Ireland Limited@ Ballymacarbry Clonmel Co. Tipperary, Ireland	N.A	Subsidiary (Indirect)	85.85%	2(87)
17.	Pinewood Laboratories Limited@ Ballymacarbry Clonmel Co. Tipperary, Ireland	N.A	Subsidiary (Indirect)	85.85%	2(87)
18.	Laboratoires Negma S.A.S.@ Buroplus 3 – Zac De La Clef St Pierre 1Bis Avenue Jean D'alembert – CS 80563 78996 Elancourt Cedex, France	N.A	Subsidiary (Indirect)	85.85%	2(87)
19.	Wockhardt France (Holdings) S.A.S.@ Buroplus 3 – Zac De La Clef St Pierre 1Bis Avenue Jean D'alembert – CS 80563 78996 Elancourt Cedex, France	N.A	Subsidiary (Indirect)	85.85%	2(87)
20.	Wockhardt Holding Corp.@ 6451 West Main St, Morton Grove, IL 60053	N.A	Subsidiary (Indirect)	85.85%	2(87)
21.	Morton Grove Pharmaceuticals, Inc.@ 6451, West Main Street, Morton Grove Illinois 60053- U.S.A	N.A	Subsidiary (Indirect)	85.85%	2(87)
22.	MGP Inc., U.S.A@ 6451 West Main St , Morton Grove, IL 60053	N.A	Subsidiary (Indirect)	85.85%	2(87)
23.	Laboratoires Pharma 2000 S.A.S. @ Buroplus 3 – Zac De La Clef St Pierre 1bis Avenue Jean D'alembert – CS 80563 78996 Elancourt Cedex, France	N.A	Subsidiary (Indirect)	85.85%	2(87)

SI. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held [Refer Notes 1 & 2]	Applicable Section of Companies Act, 2013
24.	Niverpharma S.A.S@ Buroplus 3 – Zac De La Clef St Pierre 1Bis Avenue Jean D'alembert – CS 80563 78996 Elancourt Cedex, France	N.A	Subsidiary (Indirect)	85.85%	2(87)
25.	Negma Beneulex S.A.@ Rue du Cours d'eau, 10 1428 Lillois Belgium	N.A	Subsidiary (Indirect)	85.85%	2(87)
26.	Phytex S.A.S. @ Buroplus 3 – Zac De La Clef St Pierre 1Bis Avenue Jean D'alembert – CS 80563 78996 Elancourt Cedex, France	N.A	Subsidiary (Indirect)	85.85%	2(87)
27.	Wockhardt Farmaceutica SA DE CV. @ VitoAlessio Robles 53 bis Colonia Ex Hacienda Guadalupe Chimalistac CP 01050 , Álvaro Obregón, Distrito Federal, Mexico	N.A	Subsidiary (Indirect)	85.85%	2(87)
28.	# Wockhardt Services SA DE CV.@ VitoAlessio Robles 53 bis, Colonia Ex Hacienda Guadalupe Chimalistac CP, 01050, Álvaro Obregón, Distrito Federal, Mexico	N.A	Subsidiary (Indirect)	85.85%	2(87)
29.	Wockhardt Bio (R) @ Russia, 121471, Moscow, Ryabinovaya ul., 43, Building 1	N.A	Subsidiary (Indirect)	85.85%	2(87)
30.	Wockhardt Bio Pty Ltd @ Suit 205, 546 Collins Street, Melbourne VIC 3000	N.A	Subsidiary (Indirect)	85.85%	2(87)
31.	Wockhardt Bio Limited* 58 Richard Pearse Drive, Airport Oaks, Mangere, Auckland 2022, New Zealand	N.A	Subsidiary (Indirect)	—	2(87)
32.	Wockhardt Medicines Limited Wockhardt Towers, Bandra- Kurla Complex, Bandra (East), Mumbai – 400 051	U74999MH2019 PLC322942	Subsidiary (Direct)	100%	2(87)

Notes:

1. Wockhardt Ltd., the Company holds directly or indirectly 100% shareholding in all the subsidiaries except as mentioned in Note 2 below.
2. @ The Company holds 85.85% shareholding in the Wockhardt Bio AG which in turn holds 100% shareholding in these subsidiaries.
3. * The immediate Holding Company (i.e. Wockhardt Bio AG) has yet to infuse the share capital.
4. # Wockhardt Services S.A. DE C.V. is under the process of liquidation.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1st April, 2019)				No. of Shares held at the end of the year (as on 31st March, 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual/HUF	887,625	0	887,625	0.80	887,625	0	887,625	0.80	0
(b) Central Govt.	0	0	0	0	0	0	0	0	0
(c) State Govt.(s)	0	0	0	0	0	0	0	0	0
(d) Bodies Corporates	70,297,757	0	70,297,757	63.51	70,297,757	0	70,297,757	63.48	(0.03)
(e) Banks/FIs	0	0	0	0	0	0	0	0	0
(f) Any Other									
i) Trust	10,800,000	0	10,800,000	9.76	8,693,294	0	8,693,294	7.85	(1.91)
Sub-total (A)(1)	**81,985,382**	**0**	**81,985,382**	**74.07**	**79,878,676**	**0**	**79,878,676**	**72.13**	**(1.94)**

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1st April, 2019)				No. of Shares held at the end of the year (as on 31st March, 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
(a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
(b) Other - Individuals	0	0	0	0	0	0	0	0	0
(c) Bodies Corporate	0	0	0	0	0	0	0	0	0
(d) Banks/FI	0	0	0	0	0	0	0	0	0
(e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**81,985,382**	**0**	**81,985,382**	**74.07**	**79,878,676**	**0**	**79,878,676**	**72.13**	**(1.94)**
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds	2,613,998	900	2,614,898	2.36	3,027	900	3,927	0.00	(2.36)
(b) Banks/FIs	134,940	500	135,440	0.12	153,361	500	153,861	0.14	0.02
(c) Central Govt.	0	0	0	0	0	0	0	0	0
(d) State Govt.(s)	0	0	0	0	0	0	0	0	0
(e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f) Insurance Companies	0	1,400	1,400	0	0	1,400	1,400	0	0
(g) FIIs	0	0	0	0	0	0	0	0	0
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i) Others (specify)									
Foreign Portfolio Investor	5,243,417	2,400	5,245,817	4.74	5,371,530	2,400	5,373,930	4.86	0.12
Foreign Company	0	0	0	0	0	0	0	0	0
Alternative Investment Fund	60,700	0	60,700	0.06	89,500	0	89,500	0.08	0.02
Foreign Bank	10,200	0	10,200	0.01	10,200	0	10,200	0.01	0
Sub-total (B)(1)	**8,063,255**	**5,200**	**8,068,455**	**7.29**	**5,627,618**	**5,200**	**5,632,818**	**5.09**	**(2.20)**
2. Non-Institutions									
(a) Bodies Corporate									
(i) Indian	2,415,041	19,043	2,434,084	2.20	2,150,524	19,002	2,169,526	1.96	(0.24)
(ii) Overseas	0	0	0	0	0	0	0	0	0
(b) Individuals									
(i) Individual Shareholders Holding nominal share capital upto ₹ 1 lakh	14,009,617	803,194	14,812,811	13.38	16,302,375	738,794	17,041,169	15.39	2.01
(ii) Individual Shareholders Holding nominal share capital in excess of ₹ 1 lakh	956,811	0	956,811	0.86	3,812,179	0	3,812,179	3.45	2.59
(c) NBFCs Registered with RBI	16,161	0	16,161	0.02	746	0	746	0	(0.02)
(d) Others (specify)									
(i) Non-Resident Indian (Repat)	804,094	2,700	806,794	0.73	961,394	2,700	964,094	0.87	0.14
(ii) Non-Resident Indian (Non-Repat)	207,714	2,400	210,114	0.19	282,268	2,400	284,668	0.26	0.07
(iii) Foreign Nationals	600	0	600	0	0	0	0	0	0.00

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1st April, 2019)				No. of Shares held at the end of the year (as on 31st March, 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(iv) Clearing Member	718,400	0	718,400	0.65	190,588	0	190,588	0.17	(0.48)
(v) Directors/ Relatives of Directors	57,600	0	57,600	0.05	3,500	0	3,500	0	(0.05)
(vi) Trusts	1,400	0	1,400	0	700	0	700	0	0
(vii) Hindu Undivided Family	617,591	0	617,591	0.56	756,339	0	756,339	0.68	0.12
Sub-total (B)(2)	**19,805,029**	**827,337**	**20,632,366**	**18.64**	**24,460,613**	**762,896**	**25,223,509**	**22.78**	**4.14**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**27,868,284**	**832,537**	**28,700,821**	**25.93**	**30,088,231**	**768,096**	**30,856,327**	**27.87**	**1.94**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**109,853,666**	**832,537**	**110,686,203**	**100.00**	**109,966,907**	**768,096**	**110,735,003**	**100.00**	**0.00**

Notes:

1. The shares appearing under "Promoter- Bodies Corporates" are held by the companies appearing under Sl. Nos. 1 to 4 of the below table titled (ii) "Shareholding of Promoters" in capacity as a Trustee of Trusts being partner in respective Partnership Firms.
2. The shares appearing under "Promoter- Trust" are held by the companies appearing under Sl. Nos. 5 to 8 of the below table titled (ii) "Shareholding of Promoters" in capacity as a Trustee of respective Trusts.
3. % change during the year in the category of Promoters is due to sale and increase in total paid up equity share capital.

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1st April, 2019)			Shareholding at the end of the Year (as on 31st March, 2020)			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares#	
1.	Themisto Trustee Company Private Limited *	60,497,757	54.65	1.13	60,497,757	54.63	26.78	(0.02)
2.	Ananke Trustee Company Private Limited*	3,200,000	2.89	Nil	3,200,000	2.89	Nil	Nil
3.	Callirhoe Trustee Company Private Limited*	3,200,000	2.89	Nil	3,200,000	2.89	Nil	Nil
4.	Pasithee Trustee Company Private Limited*	3,400,000	3.07	Nil	3,400,000	3.07	Nil	Nil
5.	Themisto Trustee Company Private Limited **	5,400,000	4.88	Nil	4,400,000	3.97	Nil	(0.91)
6.	Ananke Trustee Company Private Limited**	1,800,000	1.63	Nil	1,472,716	1.33	Nil	(0.30)
7.	Callirhoe Trustee Company Private Limited**	1,800,000	1.63	Nil	1,320,578	1.19	Nil	(0.44)
8.	Pasithee Trustee Company Private Limited**	1,800,000	1.63	Nil	1,500,000	1.36	Nil	(0.27)
9.	Dr. H.F. Khorakiwala	442,785	0.40	Nil	442,785	0.40	Nil	Nil
10.	Dr. Huzaifa Khorakiwala	216,000	0.20	Nil	216,000	0.20	Nil	Nil
11.	Dr. Murtaza Khorakiwala	226,200	0.20	Nil	226,200	0.20	Nil	Nil
12.	Ms. Nafisa Khorakiwala	2,640	0.00	Nil	2,640	0.00	Nil	Nil
	Total	**81,985,382**	**74.07**	**1.13**	**79,878,676**	**72.13**	**26.78**	**(1.94)**

Notes:

1. * The shares held by the said companies in capacity as a Trustee of Trusts being partner in respective Partnership Firms.
2. ** The shares held by the said companies in capacity as a Trustee of respective Trusts.
3. # During the year, the Promoters have created pledge on 29,650,000 Equity Shares held in the Company.

(iii) Change in Promoters' Shareholding

Promoter's Name	Shareholding at the beginning of the year (as on 1st April, 2019)		Cumulative Shareholding during the year 31st March, 2020		Shareholding at the end of the year (as on 31st March, 2020)	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
Themisto Trustee Company Private Limited **	5,400,000	4.88	4,400,000	3.97	4,400,000	3.97
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.): • Market sale of 4,02,097 no of Equity shares between 20/11/2019 to 22/11/2019 • Market sale of 5,97,903 no of Equity shares between 30/12/2019 to 31/12/2019						
Ananke Trustee Company Private Limited**	1,800,000	1.63	1,472,716	1.33	1,472,716	1.33
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.): • Market sale of 3,27,284 no of Equity shares between 20/11/2019 to 22/11/2019						
Callirhoe Trustee Company Private Limited**	1,800,000	1.63	1,320,578	1.19	1,320,578	1.19
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer/ bonus/ sweat equity etc.): • Market sale of 4,79,422 no of Equity shares between 20/11/2019 to 22/11/2019						
Pasithee Trustee Company Private Limited**	1,800,000	1.63	1,500,000	1.35	1,500,000	1.35
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.): • Market sale of 3,00,000 no of Equity shares between 20/11/2019 to 22/11/2019						

Note: ** The shares held by the said companies in capacity as a Trustee of respective Trusts.

During FY 2019-20, the Promoters' sold 21,06,706 Equity shares (1.93%) reducing their shareholding to 7,98,78,676 Equity Shares (72.13%). Also, there were minor changes in percentage due to increase in total paid up equity share capital of the Company. Further, as on 31st March, 2020, the Promoters have created pledge on 2,96,50,000 Equity Shares (26.78%) held in the Company.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (as on 1st April, 2019) / Date wise Increase/(Decrease) during the year		Cumulative shareholding during the year		Shareholding at the end of the year (as on 31st March, 2020)	
		No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of the Company
1	**Hardik B. Patel ***	**2,877**	**0.00**			**1,498,626**	**1.35**
	Date wise Increase /(Decrease)	Number	% age				
	01.04.2019 to 05.04.2019	(2,800)	(0.00)	77	0.00		
	17.06.2019 to 21.06.2019	85,000	0.08	85,077	0.08		
	29.06.2019 to 29.06.2019	319	0.00	85,396	0.08		
	01.07.2019 to 05.07.2019	381	0.00	85,777	0.08		
	05.08.2019 to 09.08.2019	789,000	0.71	874,777	0.79		
	28.10.2019 to 01.11.2019	30,000	0.03	904,777	0.82		
	04.11.2019 to 08.11.2019	50,000	0.04	954,777	0.86		
	20.01.2020 to 24.01.2020	400,000	0.36	1,354,777	1.22		
	27.01.2020 to 31.01.2020	650,000	0.59	2,004,777	1.81		
	17.02.2020 to 21.02.2020	49,700	0.05	2,054,477	1.86		
	24.02.2020 to 28.02.2020	(20,000)	(0.02)	2,034,477	1.84		
	09.03.2020 to 13.03.2020	(100,000)	(0.09)	1,934,477	1.75		
	16.03.2020 to 20.03.2020	(500,000)	(0.45)	1,434,477	1.30		
	23.03.2020 to 27.03.2020	64,149	0.05	1,498,626	1.35		
2	**Delaware Group Global and International Funds-Delaware Emerging Markets Fund**	**1,200,000**	**1.08**			**1,200,000**	**1.08**
	Date wise increase /(Decrease)	Number	% age				
	Nil	Nil	Nil	Nil	Nil		

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (as on 1st April, 2019) / Date wise Increase/(Decrease) during the year		Cumulative shareholding during the year		Shareholding at the end of the year (as on 31st March, 2020)	
		No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of the Company
3	**Vanguard Total International Stock Index Fund**	**419,199**	**0.38**			**621,821**	**0.56**
	Date wise Increase/(Decrease)	Number	% age				
	22.04.2019 to 26.04.2019	(10,789)	(0.01)	408,410	0.37		
	13.05.2019 to 17.05.2019	165,103	0.15	573,513	0.52		
	03.06.2019 to 07.06.2019	86,917	0.08	660,430	0.60		
	23.03.2020 to 27.03.2020	(38,609)	(0.04)	621,821	0.56		
4	**Minal Bharat Patel ***	**22**	**0.00**			**572,535**	**0.52**
	Date wise Increase/(Decrease)	Number	% age				
	01.07.2019 to 05.07.2019	60,300	0.05	60,322	0.05		
	08.07.2019 to 12.07.2019	(60,000)	(0.05)	322	0.00		
	22.07.2019 to 26.07.2019	10,000	0.01	10,322	0.01		
	16.03.2020 to 20.03.2020	395,000	0.36	405,322	0.37		
	23.03.2020 to 27.03.2020	165,000	0.15	570,322	0.52		
	30.03.2020 to 31.03.2020	2,213	0.00	572,535	0.52		
5	**Vanguard Emerging Markets Stock Index Fund, A Series Of Vanguard International Equity Index Funds**	**391,162**	**0.35**			**391,162**	**0.35**
	Date wise Increase/(Decrease)	Number	% age				
	Nil	Nil	Nil	Nil	Nil		
6	**Ishares Core Emerging Markets Mauritius Co**	**537,818**	**0.49**			**382,550**	**0.35**
	Date wise Increase/(Decrease)	Number	% age				
	22.04.2019 to 26.04.2019	1,124	0.00	538,942	0.49		
	29.04.2019 to 03.05.2019	843	0.00	539,785	0.49		
	27.05.2019 to 31.05.2019	(75,414)	(0.07)	464,371	0.42		
	29.07.2019 to 02.08.2019	(7,502)	(0.01)	456,869	0.41		
	05.08.2019 to 09.08.2019	(8,712)	(0.01)	448,157	0.40		
	12.08.2019 to 16.08.2019	(2,662)	(0.00)	445,495	0.40		
	19.08.2019 to 23.08.2019	(2,662)	(0.00)	442,833	0.40		
	02.09.2019 to 06.09.2019	6,991	0.01	449,824	0.41		
	09.09.2019 to 13.09.2019	8,529	0.01	458,353	0.42		
	16.09.2019 to 20.09.2019	1,500	0.00	459,853	0.42		
	07.10.2019 to 11.10.2019	(1,000)	(0.00)	458,853	0.42		
	11.11.2019 to 15.11.2019	1,500	0.00	460,353	0.42		
	18.11.2019 to 22.11.2019	1,500	0.00	461,853	0.42		
	16.12.2019 to 20.12.2019	992	0.00	462,845	0.42		
	23.12.2019 to 27.12.2019	968	0.00	463,813	0.42		
	30.12.2019 to 31.12.2019	1,210	0.00	465,023	0.42		
	06.01.2020 to 10.01.2020	1,694	0.01	466,717	0.43		
	13.01.2020 to 17.01.2020	15,765	0.01	482,482	0.44		
	27.01.2020 to 31.01.2020	14,567	0.01	497,049	0.45		
	03.02.2020 to 07.02.2020	(2,048)	(0.00)	495,001	0.45		
	24.02.2020 to 28.02.2020	(3,072)	(0.01)	491,929	0.44		
	02.03.2020 to 06.03.2020	(100,564)	(0.09)	391,365	0.35		
	09.03.2020 to 13.03.2020	(2,255)	(0.00)	389,110	0.35		
	16.03.2020 to 20.03.2020	(3,690)	(0.00)	385,420	0.35		
	23.03.2020 to 27.03.2020	(2,870)	(0.00)	382,550	0.35		

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (as on 1st April, 2019) / Date wise Increase/(Decrease) during the year		Cumulative shareholding during the year		Shareholding at the end of the year (as on 31st March, 2020)	
		No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of the Company
7	**Dimensional Emerging Markets Value Fund**	**300,832**	**0.27**			**369,382**	**0.33**
	Date wise Increase/(Decrease)	Number	% age				
	08.04.2019 to 12.04.2019	15,569	0.02	316,401	0.29		
	13.05.2019 to 17.05.2019	55,018	0.05	371,419	0.34		
	20.05.2019 to 24.05.2019	5,383	0.00	376,802	0.34		
	27.05.2019 to 31.05.2019	6,082	0.01	382,884	0.35		
	17.06.2019 to 21.06.2019	9,862	0.01	392,746	0.36		
	29.06.2019 to 29.06.2019	56,699	0.05	449,445	0.41		
	01.07.2019 to 05.07.2019	10,899	0.01	460,344	0.42		
	08.07.2019 to 12.07.2019	23,003	0.02	483,347	0.44		
	19.08.2019 to 23.08.2019	(54,161)	(0.05)	429,186	0.39		
	26.08.2019 to 30.08.2019	(11,091)	(0.01)	418,095	0.38		
	23.09.2019 to 27.09.2019	(9,537)	(0.01)	408,558	0.37		
	30.09.2019 to 30.09.2019	(22,297)	(0.02)	386,261	0.35		
	11.11.2019 to 15.11.2019	(9,353)	(0.01)	376,908	0.34		
	18.11.2019 to 22.11.2019	(7,526)	(0.01)	369,382	0.33		
8	**Pankaj Jayantilal Patel ***	**0**	**0.00**			**333,200**	**0.30**
	Date wise Increase/(Decrease)	Number	% age				
	09.03.2020 to 13.03.2020	5,700	0.01	5,700	0.01		
	16.03.2020 to 20.03.2020	315,000	0.28	320,700	0.29		
	23.03.2020 to 27.03.2020	12,500	0.01	333,200	0.30		
9	**Emerging Markets Core Equity Portfolio (The Portfolio) Of Dfa Investment Dimensions Group Inc. (Dfaidg)**	**337,442**	**0.30**			**284,999**	**0.25**
	Date wise Increase/(Decrease)	Number	% age				
	16.12.2019 to 20.12.2019	(26,086)	(0.02)	311,356	0.28		
	23.12.2019 to 27.12.2019	(7,162)	(0.01)	304,194	0.27		
	23.03.2020 to 27.03.2020	(19,195)	(0.02)	284,999	0.25		
10	**Finquest Securities Pvt Ltd**	**340,800**	**0.31**			**255,800**	**0.23**
	Date wise Increase/(Decrease)	Number	% age				
	01.04.2019 to 05.04.2019	27,800	0.02	368,600	0.33		
	08.04.2019 to 12.04.2019	(5,000)	(0.00)	363,600	0.33		
	15.04.2019 to 19.04.2019	(5,000)	(0.00)	358,600	0.33		
	22.04.2019 to 26.04.2019	36,900	0.03	395,500	0.36		
	20.05.2019 to 24.05.2019	139,500	0.12	535,000	0.48		
	03.06.2019 to 07.06.2019	(150,000)	(0.13)	385,000	0.35		
	17.06.2019 to 21.06.2019	54,500	0.05	439,500	0.40		
	29.06.2019 to 29.06.2019	600,000	0.54	1,039,500	0.94		
	08.07.2019 to 12.07.2019	60,000	0.05	1,099,500	0.99		
	22.07.2019 to 26.07.2019	(10,000)	(0.01)	1,089,500	0.98		
	05.08.2019 to 09.08.2019	(789,000)	(0.71)	300,500	0.27		
	09.09.2019 to 13.09.2019	20,000	0.02	320,500	0.29		
	16.09.2019 to 20.09.2019	(20,000)	(0.02)	300,500	0.27		
	20.01.2020 to 24.01.2020	25,000	0.02	325,500	0.29		
	17.02.2020 to 21.02.2020	(49,700)	(0.04)	275,800	0.25		
	24.02.2020 to 28.02.2020	(20,000)	(0.02)	255,800	0.23		

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (as on 1st April, 2019) / Date wise Increase/(Decrease) during the year		Cumulative shareholding during the year		Shareholding at the end of the year (as on 31st March, 2020)	
		No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of the Company
11	**Kotak Equity Arbitrage Fund #**	**652,500**	**0.59**			**Nil**	**0.00**
	Date wise Increase/(Decrease)	Number	% age				
	01.04.2019 to 05.04.2019	9,900	0.01	662,400	0.60		
	08.04.2019 to 12.04.2019	(9,000)	(0.01)	653,400	0.59		
	15.04.2019 to 19.04.2019	(1,800)	(0.00)	651,600	0.59		
	22.04.2019 to 26.04.2019	(39,600)	(0.04)	612,000	0.55		
	29.04.2019 to 03.05.2019	14,400	0.01	626,400	0.56		
	06.05.2019 to 10.05.2019	(68,400)	(0.06)	558,000	0.50		
	13.05.2019 to 17.05.2019	(84,600)	(0.07)	473,400	0.43		
	20.05.2019 to 24.05.2019	(9,900)	(0.01)	463,500	0.42		
	10.06.2019 to 14.06.2019	(82,800)	(0.07)	380,700	0.35		
	17.06.2019 to 21.06.2019	(164,700)	(0.15)	216,000	0.20		
	24.06.2019 to 28.06.2019	(216,000)	(0.20)	Nil	0.00		
12	**DSP AIF Pharma Fund #**	**566,181**	**0.51**			**Nil**	**0.00**
	Date wise Increase/(Decrease)	Number	% age				
	16.09.2019 to 20.09.2019	(325,379)	(0.29)	240,802	0.22		
	23.09.2019 to 27.09.2019	(183,364)	(0.17)	57,438	0.05		
	07.10.2019 to 11.10.2019	(57,438)	(0.05)	Nil	0.00		
13	**HDFC Trustee Company Ltd-HDFC Equity Saving Fund #**	**276,300**	**0.25**			**Nil**	**0.00**
	Date wise Increase/(Decrease)	Number	% age				
	29.04.2019 to 03.05.2019	(18,900)	(0.02)	257,400	0.23		
	06.05.2019 to 10.05.2019	(14,400)	(0.01)	243,000	0.22		
	13.05.2019 to 17.05.2019	(5,400)	(0.01)	237,600	0.21		
	24.06.2019 to 28.06.2019	(237,600)	(0.21)	Nil	0.00		

Notes:

1. The above increase/decrease is due to buy/sell transaction(s) as per weekly BENPOS.
2. * Represents shareholders not in the list of Top 10 shareholders as on 1st April, 2019. However, the same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31st March, 2020.
3. # Represents shareholders that ceased to be in the list of Top 10 shareholders as on 31st March, 2020 However, the same is reflected above since the shareholder was one of the Top 10 shareholders as on 1st April, 2019.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (as on 1st April, 2019)		Cumulative Shareholding during the year		Shareholding at the end of the year (as on 31st March, 2020)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	No. of shares	% of total share of the Company
a.	Dr. H. F. Khorakiwala, Chairman	442,785	0.40	442,785	0.40	442,785	0.40
b.	Mr. Aman Mehta, Independent Director	2,500	0.002	2,500	0.002	2,500	0.002
c.	Mr. Davinder Singh Brar, Independent Director	500	0.0005	500	0.0005	500	0.0005
d.	Dr. Sanjaya Baru, Independent Director	500	0.0005	500	0.0005	500	0.0005
e.	Ms. Tasneem Mehta, Independent Director	Nil	Nil	Nil	Nil	Nil	Nil
f.	Mr. Baldev Raj Arora, Independent Director*	Nil	Nil	Nil	Nil	Nil	Nil
g.	Mr. Vinesh Kumar Jairath, Independent Director	Nil	Nil	Nil	Nil	Nil	Nil

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (as on 1st April, 2019)		Cumulative Shareholding during the year		Shareholding at the end of the year (as on 31st March, 2020)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	No. of shares	% of total share of the Company
h.	Ms. Rima Marphatia, Nominee Director #	N.A	N.A	Nil	Nil	Nil	Nil
i.	Dr. Huzaifa Khorakiwala, Executive Director	216,000	0.20	216,000	0.20	216,000	0.20
j.	Dr. Murtaza Khorakiwala, Managing Director	226,200	0.20	226,200	0.20	226,200	0.20
k.	Ms. Zahabiya Khorakiwala, Non-Executive Non-Independent Director	Nil	Nil	Nil	Nil	Nil	Nil
l.	Mr. Manas Datta, Chief Financial Officer	Nil	Nil	2,000	0.002	2,000	0.002
m.	Mr. Narendra Singh, Company Secretary $	Nil	Nil	Nil	Nil	Nil	Nil
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc.):		2,000 Equity shares were allotted to Mr. Manas Datta, Chief Financial Officer pursuant to exercise of Employees Stock Option Scheme (ESOS), 2011 on 10th September, 2019.					

Notes:

1. * Mr. Baldev Raj Arora was appointed as an Independent Director of the Company w.e.f. 28th May, 2015 for a period of 5 years. Accordingly, the term of appointment of Mr. Arora as an Independent Director will be completed on 27th May, 2020.
2. # Ms. Rima Marphatia was inducted on the Board of the Company as a Nominee Director w.e.f. 6th May, 2019.
3. $ Mr. Narendra Singh has resigned from the position of Company Secretary and Compliance Officer of the Company with effect from closure of the working hours on 11th May, 2020 and Mr. Gajanand Sahu has been appointed as a Company Secretary and Compliance Officer (Acting) w.e.f. 12th May, 2020. Mr. Sahu does not hold any shares of the Company as on 31st March, 2020.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in ₹ crore)

	Secured Loans excluding deposits	Unsecured Loans [Note 3]	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (i.e.,1st April, 2019)				
i) Principal Amount	1,549.35	335.37	Nil	1,884.72
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due [Refer Note 1]	–	–	–	–
Total (i+ii+iii)	**1,549.35**	**335.37**	**Nil**	**1,884.72**
Change in Indebtedness during the financial year 2019-20 [Refer Note 2]				
i) Addition	41.36	236.74	Nil	278.10
ii) Reduction	(282.91)	(4.08)	Nil	(286.99)
Net Change	**(241.55)**	**232.66**	**Nil**	**(8.89)**
Indebtedness at the end of the financial year (i.e., 31st March, 2020)				
i) Principal Amount	1,307.80	568.03	Nil	1,875.83
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due [Refer Note 1]	–	–	–	–
Total (i+ii+iii)	**1,307.80**	**568.03**	**Nil**	**1,875.83**

Note 1: Interest accrued but not due is included in principal amount as per Ind AS requirement and shall not be disclosed separately in Financial Statements.
Note 2: Addition/Reduction during the year includes Ind AS impact, impact of exchange fluctuation and interest accrued wherever applicable.
Note 3: Unsecured loans also includes Preference shares calculated as per Ind AS.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Amount in ₹ crore

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Dr. H.F. Khorakiwala, Chairman	Dr. Huzaifa Khorakiwala, Executive Director	Dr. Murtaza Khorakiwala, Managing Director	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2.80	2.40	2.40	7.60
	(c) Profits in lieu of salary under u/s 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity				
4.	Commission – as % of profit – others, specify…				
5.	Others, please specify				
	Total (A)*	**2.80**	**2.40**	**2.40**	**7.60**
	Ceiling as per the Act*	**2.80**	**2.40**	**2.40**	**7.60**

Note: *The amount mentioned in ceiling is as per the approval accorded by the Shareholders of the Company by way of passing a Special resolution at the Annual General Meetings held on 4th August, 2018 and 14th August, 2019.

B. Remuneration to other directors

Amount in ₹ crore

Sl. No.	Particulars of Remuneration	Name of Directors								Total Amount
		Mr. Aman Mehta	Mr. Davinder Singh Brar	Dr. Sanjaya Baru	Ms. Tasneem Mehta	Mr. Baldev Raj Arora	Mr. Vinesh Kumar Jairath	Ms. Rima Marphatia	Ms. Zahabiya Khorakiwala	
1.	Independent Directors • Fee for attending board/ committee meetings	0.09	0.14	0.14	0.15	0.15	0.15	N.A.	N.A.	0.82
	• Commission • Others, please specify	Nil							N.A.	Nil
	Total (1)	0.09	0.14	0.14	0.15	0.15	0.15	N.A.	N.A.	0.82
2.	Other Non-Executive Directors • Fee for attending board/ committee meetings	N.A.						0.05	0.04	0.09
	• Commission • Others, please specify	N.A.						Nil	Nil	Nil
	Total (2)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	0.05	0.04	0.09
	Total (B)=(1+2)	0.09	0.14	0.14	0.15	0.15	0.15	0.05	0.04	0.91
	Total Managerial Remuneration**									7.60
	Overall Ceiling as per the Act									7.60

Notes:

1 ** Total Managerial Remuneration consists of remuneration paid to Whole-time Directors of the Company as detailed in point VI A above. Independent Directors and Non-Executive Director have been paid only sitting fees during the year 2019-20.

2 Ms. Zahabiya Khorakiwala is Non-Independent, Non-Executive Director.

3. Ms. Rima Marphatia being a Nominee Director of EXIM bank sitting fees is paid to EXIM Bank.

C. Remuneration to Key Managerial Personnel other than MD /Manager/WTD:

Amount in ₹ lacs

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary	N.A.			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		49.89	236.76	286.65
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961		0.57	0.90	1.47
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961		Nil	Nil	Nil
2.	Stock Option		Nil	5.46	5.46
3.	Sweat Equity		NIL		
4.	Commission – as % of profit – others, specify...				
5.	Others, please specify				
	Total		**50.46**	**243.12**	**293.58**

Note: During FY 2019-20, Mr. Manas Datta, Chief Financial Officer and Mr. Narendra Singh, Company Secretary has been granted 10,000 and 4,000 stock options respectively.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/ Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give Details)
A. COMPANY:					
Penalty					
Punishment					
Compounding					
B. DIRECTORS:					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT:					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors

Dr. H. F. KHORAKIWALA
Chairman
DIN: 00045608

ANNEXURE III TO THE BOARD'S REPORT

Disclosures pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014 regarding stock options are given hereunder and a web link thereto: http://www.wockhardt.com/investor-connect/other-shareholders-services.aspx

Wockhardt Employees' Stock Option Scheme-2011 ('Wockhardt ESOS-2011') – General terms and conditions:

Date of Shareholders' approval	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

Option movement during the year ended 31st March, 2020:

Sl. No.	Description	Wockhardt ESOS-2011
1	Number of options outstanding as on 1st April, 2019	5,99,300
2	Number of options granted during the year	76,000
3	Number of options forfeited /lapsed during the year	5,250
4	Number of options vested during the year	98,400
5	Number of options exercised during the year	48,800
6	Number of shares arising as a result of exercise of options	48,800 Equity Shares
7	Money realized by exercise of options (INR), if scheme is implemented directly by the company	₹ 2,44,000 /-
8	Loan repaid by the Trust during the year from exercise price received	Not Applicable
9	Number of options outstanding as on 31st March, 2020	6,21,250
10	Number of options exercisable as on 31st March, 2020	4,28,350
11	Details of options granted to Key Managerial Personnel	Mr. Manas Datta, CFO - 10,000 Options Mr. Narendra Singh, CS - 4,000 Options
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.	3 employees have been granted 32000 Nos of Options during F.Y. 2019 -20
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 Accounting Standard (AS-20)	₹ (29.42)
15	Where the Company has calculated employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the Company	N.A.

Sl. No.	Description	Wockhardt ESOS-2011
16	Weighted Average Exercise Price and weighted average fair values of options disclosed separately for options whose exercise price either equals or exceeds or is less than market price of the stock	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 & 2019-20: ₹ 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/-

A description of the method and significant assumptions used during the year to estimate the fair value of options is given below:

- The weighted-average values of share price for 76,000 options granted during the year is ₹ 297.33/-.
- Exercise price was of ₹ 5
- Fair value is calculated by using Black-Scholes-Merton Model.
- Stock Price: The stock price of the Company is closing price as on the date of grant as per the stock information available on *nseindia.com*, where the trading volume was higher on the date of grant.

  Stock price on the date of grant is assumed as ex-dividend i.e. historical price movement of closing prices include the changes in price due to dividend.
- Volatility: Expected volatility is a measure of the amount by which price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in Black-Scholes-Merton Model is the annualized standard deviation of returns on the stock price over a period.

  Factors considered to estimate expected volatility are as under:

  a) Implied volatility from traded share option on the entity's share with similar option feature.

  b) The historical volatility of the share price over the most recent period that generally commensurate with the expected term of an option.

  c) The length of the time an entity's share has been publicly traded.

  d) The tendency of volatility to revert to its mean, i.e. its long term average level, and other factors indicating that expected future volatility might differ from past volatility.

  e) Appropriate and regular interval for price observations.
- Risk free interest rate: Interest rate applicable for the maturity equal to the expected life of an option based on the zero-coupon yield curve for the government securities.

- Expected Life: For the fair value determination, it has been assumed that options are expected to be exercised immediately after the completion of vesting period. Hence, life of an option is equal to the vesting period i.e. difference between vesting date and grant date.
- Expected Dividend: Expected dividend considered based on the latest dividend declared prior to the date of the grant. Recent history of payment of dividend has been considered for determining the value of an option.
- The method used to incorporate the early exercise of an Option is by calculating expected life on past exercise behaviour based upon fair valuation report.
- No other feature has been considered for fair valuation of options.

Note: The details about Stock Options are also provided under Note No. 39 of Notes to Financial Statements.

For and on behalf of the Board of Directors

Dr. H. F. KHORAKIWALA
Chairman
DIN: 00045608

ANNEXURE IV TO THE BOARD'S REPORT

REPORT ON CSR ACTIVITIES/INITIATIVES

[Pursuant to Section 135 of the Companies Act, 2013 and Rules made thereunder]

1. **A brief outline of the Company's CSR policy, including overview of the projects or programs proposed to be undertaken and reference to the web-link to the CSR Policy and projects or programs.**

   Pursuant to the requirement of the Companies Act, 2013 and the Rules made thereunder, the Company has well framed CSR Policy and web link thereto is http://www.wockhardt.com/files/csr-policy.pdf

   The Company's CSR Policy aims at excellence through service to local communities wherein the Company operates with the involvement of employees. The focus areas for CSR are Healthcare, Education, Infrastructure development and Promoting social causes. Various CSR projects being undertaken as part of CSR activities are as under:

   a) **Mobile 1000** – The project aims at running mobile vans and provide free primary healthcare in rural areas all over India.

   b) **SHUDHU** – Shudhu is a Water Purification Tablet which provides clean drinking water to the masses. One Shudhu tablet purifies up to 20 litres of water in 30 minutes and prevents all communicable water borne diseases like Jaundice, Diarrhea, Dysentery, Cholera, Polio, Giardia etc.

   c) **E-Learning** – Promoting academic excellence in rural areas through quality and innovative teaching methods.

   d) **Khel Khel Mein** – Promoting values and good habits through fun and play in urban slum localities. Khel Khel Mein develops the child's spiritual and emotional quotient which in turn helps the holistic development. A transformation from the undesirable human development to a positive one by:

      - Teaching human values and good habits
      - Educational toys for the underprivileged children
      - Books for basic learning and reading
      - Inculcating civic sense

   e) **Adarsh Gram Yojna** – The project aims at adoption of village for its upliftment.

   f) **Zab** – This project aims at providing rural students with a school bag that can be easily transformed into a desk enabling to write and facilitate ease in learning and studying.

      The CSR activities are implemented through Wockhardt Foundation, CSR arm of the Company under visionary leadership of its Trustee & CEO, Dr. Huzaifa Khorakiwala. A robust implementation structure, monitoring process and a team of Programme Heads and Warriors are in place for each CSR Project.

2. **The Composition of the CSR Committee:** The CSR Committee comprises of:

   Dr. H. F. Khorakiwala, Chairman (Executive)
   Mr. Aman Mehta, Member (Independent Director)
   Mr. Davinder Singh Brar, Member (Independent Director)
   Dr. Huzaifa Khorakiwala, Member (Executive)

3. **Average Net Profit of the Company for last 3 financial years:** Average Net Profit of the Company for the last three financial years as per Section 198 of the Companies Act, 2013 was ₹ (0.01) crores.

4. **Prescribed CSR expenditure (2% of the amount as in item 3 above):** Not Applicable

5. **Details of CSR spent during the financial year:**

   a) **Total amount to be spent for the financial year:** 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 2019-20. However, as a continuing corporate governance practice, the Company contributed ₹ 0.56 crore to Wockhardt Foundation, CSR arm of the Company, for spending on CSR activities which has undertaken CSR projects in the areas of healthcare, education etc. Details of spending are provided in point (c) below:

   b) **Amount un-spent, if any:** Not Applicable

c) Manner in which the amount spent during financial year is detailed below:

1	2	3	4	5	6	7	8
Sl. No	CSR project/ activity identified	Sector in which the Project is covered	Projects/Programs 1. Local area/others 2. Specify the state/ district where project/ programs was undertaken	Amount outlay (budget) project/ programs-wise (₹ in crore)	Amount spent on the project/ programs (₹ in crore) Sub-heads: 1. Direct expenditure on project/programs 2. Overheads:	Cumulative expenditure upto the reporting period (₹ in crore)	Amount spent: Direct/through implementing agency
1.	Mobile 1000	Health Awareness	Aurangabad Van	0.3	0.3	0.3	Direct
2.	E-Learning	Education	Construction of Jr College at Pali School	0.05	0.05	0.05	Direct
3.	Khel Khel Mein	Education	Aurangabad	0.11	0.11	0.11	Direct
4.	Zab Bag	Education	Zab Bags	0.10	0.10	0.10	Direct

6. In case the Company has failed to spend the 2% of the Average Net Profit of the last 3 financial years or any part thereof, reasons for not spending the amount in its Board's Report: Not applicable

The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with CSR objectives and Policy of the Company.

Dr. HUZAIFA KHORAKIWALA
Executive Director
DIN: 02191870

Dr. H. F. KHORAKIWALA
Chairman of CSR Committee
DIN: 00045608

ANNEXURE V TO THE BOARD'S REPORT

Form No. AOC–2

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

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

1. **Details of contracts or arrangements or transactions not at arm's length basis:** NIL

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

(a)	Name(s) of the related party and nature of relationship	Wockhardt Bio AG, Subsidiary of the Company
(b)	Nature of contracts/arrangements/transactions	Transfer or receipt of products, goods, materials, services etc.
(c)	Duration of the contracts/arrangements/transactions	Continuous basis
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	During the year 2019-20, transactions relating to management fees, outlicensing fees, sale of goods, guarantee fees, advances, reimbursement of expenses etc. were done with Wockhardt Bio AG aggregating to ₹ 308.38 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: 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. H. F. KHORAKIWALA
Chairman
DIN: 00045608

ANNEXURE VI TO THE BOARD'S REPORT

[Disclosure pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014]

(i) Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the year 2019-20:

Name of Director	Designation	Ratio of the remuneration of director to the median remuneration of the employees for the year 2019-20
Dr. H. F. Khorakiwala	Chairman	68.57:1
Mr. Aman Mehta	Independent Director	2.20:1
Mr. Davinder Singh Brar	Independent Director	3.43:1
Dr. Sanjaya Baru	Independent Director	3.43:1
Ms. Tasneem Mehta	Independent Director	3.67:1
Mr. Baldev Raj Arora	Independent Director	3.67:1
Mr. Vinesh Kumar Jairath	Independent Director	3.67:1
Mrs. Rima Marphatia	Nominee Director	1.22:1
Dr. Huzaifa Khorakiwala	Executive Director	58.77:1
Dr. Murtaza Khorakiwala	Managing Director	58.77:1
Ms. Zahabiya Khorakiwala	Non-Executive Director	0.98:1

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 is no increase in payment of sitting fees to Independent Directors/ Non-Executive Director as compared to previous year.

During the Financial Year 2019-20, the remuneration of Dr. H. 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 2018-19, there is no increase in remuneration of the Chairman/Executive Director/Managing Director during FY 2019-20.

During the F.Y. 2019-20, there is no increase in remuneration of Mr. Manas Datta, Chief Financial Officer (CFO) of the Company and Mr. Narendra Singh, Company Secretary (CS) of the Company.

(iii) The percentage increase in the median remuneration of employees in the financial year: 3.79%

(iv) The number of permanent employees on the rolls of Company: 5,106 as on 31st March, 2020

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

During the Financial Year 2019-20, the remunerations of Dr. H. F. Khorakiwala, Chairman, Dr. Huzaifa Khorakiwala, Executive Director and Dr. Murtaza Khorakiwala, Managing Director are in accordance with the requisite approvals of the shareholders. As compared to FY 2018-19, there is no change in remuneration of the Chairman/Executive Director/ Managing Director during the FY 2019-20.

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 3.79%.

It is hereby affirmed that the remuneration paid during the year 2019-20 is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Dr. H. F. KHORAKIWALA
Chairman
DIN: 00045608

ANNEXURE VII TO THE BOARD'S REPORT

Your Company operates in a safe and environmentally responsible manner for the long-term benefit of all stakeholders. The Company is committed to take appropriate measures to conserve energy and drive energy efficiency in its operations.

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under Rule 8 of the Companies (Accounts) Rules, 2014 are provided below:

(A) CONSERVATION OF ENERGY:

(1) Steps Taken or impact on Conservation of Energy

- 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.
- Centralized UPS of higher Capacity replaced with smaller capacity department wise UPS.
- Modified Decanter for reduction in RPM from 4000 RPM to 3500 result in electrical consumption and noise pollution.
- Interconnection for two hot water system of AHU's and only one system is running to cater all load results in reduction of pump power and steam consumption.
- Chiller's set point increased from 6.5 deg.C to 7.0 deg.C for reduction in Power consumption.
- Flash steam heat recovery done in API plant with installation of heat exchanger & condensate used in Hot water system for HVAC result in reduction of 6 to 7 MT steam per day.
- Stability chamber modified to reduce air conditioning and heater load by using hydronic system.
- VFD installed in cooling water fan and interlocking done with inline temperature transmitter and achieved electrical unit saving by 6%.
- Minimized Utility water purchasing, used bore well water for Utility operation and achieved electrical unit consumption saving.
- Reduced boiler operating pressure and achieved fuel consumption up to 3%.
- Replacement of V belt with flat belt system in phase wise manner.
- Phase wise replacement of old low efficiency motor with high efficiency motors.
- Use of only 2 HP air compressor instead of 30 HP air compressor for operation of only purified water plant.

The Company had earlier formulated Energy Task force under the leadership of Managing Director to assess and implement various measures for conservation of energy as well as non-polluting energy resources.

(2) Steps taken by the Company for utilizing alternate sources of energy

- Use of Briquette Boiler in place of furnace oil boiler.
- Use of Furnace oil in place of Industrial diesel in boiler
- Minimized Utility water purchase by using bore well water for Utility operation

(3) The capital investment on energy conservation equipment

The investment on energy conservation equipment is ₹ 1.01 crore during the financial year 2019-20.

(B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

1. The efforts made towards technology absorption:

The Company sets target for technology improvement based on global competition criteria. Wockhardt scientists undertake specific time-bound programmes to improve technology, which has upscaled gradually until desired results are achieved at the manufacturing level. The Research scientists work in close relation with the manufacturing team to ensure smooth transfer of technology. Appropriate documents are created for quality control and this is monitored both by Wockhardt Quality Control Department and the Corporate Quality Assurance team.

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

- Product quality improvement and better stability
- Cost reduction in an inflationary environment.
- Substitution of imported raw materials
- The development of several new products and line developments.
- Export of APIs and finished formulations.

The details of Research & Development have been provided in Management Discussion & Analysis forming part of this Annual Report.

3. Imported Technology (imported during the last 3 years reckoned from the beginning of the financial year):

The Company has not imported any technology.

4. The expenditure incurred on Research and Development:

₹ in crore

Particulars	Consolidated	Standalones
Capital	146.02*	1.12
Revenue	208.09	136.55
Total	**354.11**	**137.67**

* Includes Intangible Assets under development.

(C) FOREIGN EXCHANGE EARNINGS & OUTGO

During the year, the Foreign Exchange earnings was ₹ 498.14 crore and Foreign Exchange Outgo was ₹ 102.72 crore.

For and on behalf of the Board of Directors

Dr. H. F. KHORAKIWALA

Chairman

DIN: 00045608

ANNEXURE VIII TO THE BOARD'S REPORT

FORM AOC - 1

(Pursuant to first proviso to sub-section(3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014

Statement containing salient features of financial statement of subsidiaries/associate companies/joint ventures (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	Extent of shareholding (in percentage)
1	Wockhardt Infrastructure Development Limited	14/04/2006	INR	1.0000	1.0000	2.00	207.84	270.31	60.47	–	27.48	15.24	1.24	14.00	–	100.00
2	Wockhardt Medicines Limited	25/03/2019	INR	1.0000	1.0000	0.05	(0.03)	0.04	0.02	–	–	(0.03)	(0.01)	(0.02)	–	100.00
3	Z&Z Services GmbH @	21/04/2004	EUR	82.8210	78.8909	0.21	(1.68)	(0.87)	0.60	–	–	–	–	–	–	85.85
4	Wockhardt Europe Limited	11/08/1999	GBP	93.4370	90.2197	12.22	(2.95)	8.89	0.04	0.43	–	(0.05)	–	(0.05)	–	100.00
5	Wockhardt Nigeria Limited	10/01/2006	USD	75.5800	71.0598	0.60	(0.74)	0.12	0.26	–	–	(0.02)	–	(0.02)	–	100.00
6	Wockhardt UK Holdings Limited	1/12/2003	GBP	93.4370	90.2197	2.57	93.81	68.35	–	28.03	–	(0.03)	–	(0.03)	–	100.00
7	CP Pharmaceuticals Limited @	1/12/2003	GBP	93.4370	90.2197	22.73	116.00	292.98	154.25	–	285.86	(5.79)	(12.73)	6.94	–	85.85
8	CP Pharma (Schweiz) AG @	1/12/2003	CHF	78.2850	72.1328	1.96	(0.73)	1.25	0.02	–	–	(0.04)	–	(0.04)	–	85.85
9	Wallis Group Limited	18/02/1998	GBP	93.4370	90.2197	13.16	13.67	–	0.01	26.84	–	–	–	–	–	100.00
10	The Wallis Laboratory Limited	18/02/1998	GBP	93.4370	90.2197	0.04	(2.24)	–	2.20	–	–	(0.05)	–	(0.05)	–	100.00
11	Wockhardt Farmaceutica do Brazil Ltda	28/01/2004	USD	75.5800	71.0598	2.78	(3.94)	0.53	1.69	–	–	(0.30)	–	(0.30)	–	100.00
12	Wallis Licensing Limited	18/02/1998	GBP	93.4370	90.2197	–	(10.56)	27.04	37.60	–	–	–	–	–	–	100.00
13	Wockhardt USA LLC @	26/02/2004	USD	75.5800	71.0598	15.12	69.32	1,926.93	1,842.49	–	769.65	(1.12)	–	(1.12)	–	85.85
14	Wockhardt Bio AG	17/10/2005	USD	75.5800	71.0598	385.67	3,038.15	4,691.98	3,059.16	1,791.00	1,355.46	226.02	(51.82)	277.84	–	85.85
15	Wockhardt UK Limited @	02/06/2006	GBP	93.4370	90.2197	0.47	138.52	605.54	466.55	–	632.41	14.02	2.79	11.23	–	85.85
16	Wockpharma Ireland Limited @	01/09/2006	EUR	82.8210	78.8909	496.93	262.29	27.55	183.17	914.84	–	257.71	–	257.71	–	85.85
17	Pinewood Laboratories Limited @	01/10/2006	EUR	82.8210	78.8909	3.09	262.06	588.34	323.19	–	467.21	58.56	9.78	48.78	–	85.85
18	Wockhardt Holding Corp @	17/10/2007	USD	75.5800	71.0598	196.53	(20.81)	56.80	194.50	313.42	–	(3.28)	–	(3.28)	–	85.85
19	Morton Grove Pharmaceuticals Inc @	23/10/2007	USD	75.5800	71.0598	518.79	(202.93)	910.89	625.29	30.26	361.82	23.47	10.43	13.04	–	85.85
20	MGP Inc @	23/10/2007	USD	75.5800	71.0598	–	29.71	129.89	100.18	–	45.18	4.10	–	4.10	–	85.85
21	Wockhardt France (Holdings) S.A.S @	09/05/2007	EUR	82.8210	78.8909	497.75	(1,006.60)	0.64	684.27	174.78	0.20	(9.19)	(2.21)	(6.98)	–	85.85
22	Laboratoires Pharma 2000 S.A.S @	17/05/2007	EUR	82.8210	78.8909	1.51	(25.51)	9.37	33.37	–	1.12	3.14	–	3.14	–	85.85
23	Laboratoires Negma S.A.S @	17/05/2007	EUR	82.8210	78.8909	239.09	(57.35)	202.68	20.94	–	48.23	6.63	2.21	4.42	–	85.85
24	Niverpharma S.A.S @	17/05/2007	EUR	82.8210	78.8909	1.33	(31.65)	5.01	35.33	–	–	(0.32)	–	(0.32)	–	85.85
25	Negma Beneulex S.A @	17/05/2007	EUR	82.8210	78.8909	0.62	(0.52)	0.10	–	–	–	(0.05)	–	(0.05)	–	85.85
26	Phytex S.A.S @	17/05/2007	EUR	82.8210	78.8909	8.87	(8.27)	0.62	0.02	–	–	(0.02)	–	(0.02)	–	85.85
27	Wockhardt Farmaceutica SA DE CV @	21/06/2012	USD	75.5800	71.0598	21.81	(148.86)	0.39	127.44	–	–	(1.02)	–	(1.02)	–	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	Extent of shareholding (in percentage)
28	Wockhardt Services SA DE CV @	17/12/2012	USD	75.5800	71.0598	0.03	(2.12)	7.94	10.03	–	–	–	–	–	–	85.85
29	Pinewood Healthcare Limited @	01/10/2006	GBP	93.4370	90.2197	0.93	(0.94)	0.01	0.01	–	–	(0.07)	–	(0.07)	–	85.85
30	Wockhardt Bio (R) LLC @	25/08/2015	RUB	0.9659	1.0868	0.50	4.62	21.57	16.45	–	54.75	7.87	1.78	6.09	–	85.85
31	Wockhardt Bio Pty Ltd @	19/08/2015	AUD	46.0980	48.1288	0.05	1.50	13.59	12.04	–	16.94	0.67	0.18	0.49	–	85.85
32	Wockhardt Bio Ltd # @	11/11/2015	USD	75.5800	71.0598	–	–	–	–	–	–	–	–	–	–	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 Bio Ltd. is 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

H. F. Khorakiwala
Chairman
DIN: 00045608

Tasneem Mehta
DIN: 05009664

Huzaifa Khorakiwala
Executive Director
DIN: 02191870

Baldev Raj Arora
DIN: 00194168

Murtaza Khorakiwala
Managing Director
DIN: 00102650

Vinesh Kumar Jairath
DIN: 00391684

Zahabiya Khorakiwala
Non Executive Director
DIN: 00102689

Rima Marphatia
DIN: 00444343

Directors

Narendra Singh
Company Secretary

Manas Datta
Chief Financial Officer

Place : Mumbai
Date : May 11, 2020

BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report of the Company for the financial year ended 31st March, 2020 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, 2019 - 31st March, 2020
7.	Sector(s) that company is engaged in (industrial activity code-wise)	NIC Code : 21002 Description : Pharmaceuticals
8.	List three 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 International locations** Seven - Switzerland, USA (Illinois & New Jersey), UK, Ireland, France, Dubai, Russia and Australia. **Number of National locations** Six in Maharashtra [Mumbai and Aurangabad] 2 in Daman UT - Nani Daman; and one each in Gujarat - Ankleshwar and Himachal Pradesh - Baddi*
10.	Markets served by the Company (Local/ State/ National/ International)	**Market served through subsidiaries / step down subsidiaries** USA, UK, Ireland, France, European Union, Russia, Brazil and Australia. **Direct marketing/ Others** India, Russia, Brazil, Vietnam, Philippines, Nigeria, Kenya, Ghana, Tanzania, Uganda, Nepal, Myanmar and Egypt.

* The details about transfer of manufacturing facility in Baddi, Himachal Pradesh are given in the Boards Report forming part of this Annual Report.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR) : 385.37 crore
2. Total Turnover (INR) : 890 crore (from Continuing operations)
3. Total Profit after Taxes (INR) : (231) crore
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): Not ascertainable as Profit After Tax during F.Y. 2019-20 is negative. Actual spent on CSR activities is ₹ 0.56 crore.

   Though, during F.Y. 2019-20, it was not mandatory for the Company to spend on CSR activities since the average net profits of the Company for the immediately preceding 3 financial years calculated as per Section 198 of the Companies Act, 2013 ('Act'), was negative, nonetheless, as a continued better corporate governance practices, the Company has contributed ₹ 0.56 crore 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 Act.

5. List of activities in which expenditure in 4 above has been incurred:
   - Promoting health care
   - Sanitation
   - Bio toilets
   - Safe drinking water

   Expenditure incurred for CSR Activities are as per the CSR Policy of the Company. The details of the same have been provided in a Report on CSR activities forming part of this Annual Report.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/Companies?

As of 31st March, 2020, the Company has 32 subsidiaries (including step down) located in Switzerland, US, UK, Ireland, Germany, France, Belgium, Mexico, Brazil, Nigeria, Russia, Australia, New Zealand and two in India.

The manufacturing plants are located in India, UK, Ireland, USA and Dubai, 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 its products are safe and focuses on optimal utilisation of resources.	Y	Y	Y	Y	The Company is member of various professional/ trade bodies etc. through which areas of concern or importance are articulated for taking at 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		N	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:

The requisite details are provided in the above table i.e. Section D point 2(a) forming part of this report.

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 2019-20; 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 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.

   The Code and the Policy aims at building a healthy organisation by adopting high standards of professionalism, honesty, integrity and ethical conduct.

   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, 2020 was as under:

Sl. No.	Particulars	Nos.
1.	At the beginning of the year on 1st April, 2019	13
2.	Received during the year	69
3.	Resolved during the year	71
4.	Pending as on 31st March, 2020	11

   Shareholders' complaints

   During FY 2019-20, 6 complaints were received from the Company's equity shareholders. The complaints involved issues which includes non-receipt of dividend warrant/bonus certificate / rejected DRF. There was no complaint pending as on 31st March, 2020. The statement providing the details of investor complaints are also disseminated to the Stock Exchanges on a quarterly basis.

   Apart from this, there were 471 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 454 letters were replied/resolved as of 31st March, 2020. The pending 17 request were received at the end of March 2020 and the same were replied/resolved post 31st March, 2020.

   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.**

   The following products have helped to address environmental concerns:

   - Erythropoietin
   - Insulin
   - Glargine

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 three Products are as follows:

Sr. No.	Product	Improvements
1	Erythropoietin	Yield has been improved to 190%. Following are the details: 1. The batch output was increased to 19 gm from 10 gm. 2. The Downstream processing recoveries were improved from average 20% to average 25%. 3. Use of 5L Glass Spinner instead of 5L fermenter has aided in reduction of utility use such as Steam, Water, air etc.
2	Insulin	1. Cycle time optimisation resulted in increase of plant capacity by 22% (from 22 batches/month to 27 batches /month). 2. Average effective process yield improvement by 6% 3. Reduced the primary packing material consumption by 33%.
3	Glargine	1. Implementation of extended fermentation time has resulted in ~35% of yield improvement. 2. Optimization at CIEC stage to have single CIEC lot which enhances the Downstream batch processing capacity to 20 batches / month from the existing capacity of 12 batches.

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 CFA

Under Contract Manufacturing/Management System, the Company have quality audit team which not only conducts quality audit at all CFA & central hub locations 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 & identification of drugs are as per regulations. It is also checked that all required Safety equipment / measures are available in laboratory and documents are maintained as per required standards.

The Company conducts Training Session for employees on Good Laboratory Practices, Good Documentation practices, Safety etc.

4. **Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work?**

   If yes, what steps have been taken to improve the capacity and capability of local and small vendors?

   The Company being into pharmaceuticals business operates in a stringent regulatory framework for its products and services. The Company follow strict sourcing procedures for its APIs, raw materials, packing materials, other chemicals etc. considering the requirements of applicable manufacturing and quality processes. Over the period, the Company has long 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 authorised manner, wherever possible. The wastes generated from the operations are segregated into recyclable (RC), non-recyclable (NRC) and non-recyclable non-biodegradable (NRCNB).

   Wherever possible, efforts are made to convert NRC and NRCNB wastes to RC by finding industries that can use these wastes as raw materials.

Principle 3:

<table>
<tr><th>Sl. No.</th><th colspan="2">Particulars</th><th>Details</th></tr>
<tr><td>1</td><td colspan="2">Please indicate the Total number of employees</td><td>5,106</td></tr>
<tr><td>2</td><td colspan="2">Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.</td><td>999</td></tr>
<tr><td>3</td><td colspan="2">Please indicate the Number of permanent women employees</td><td>294</td></tr>
<tr><td>4</td><td colspan="2">Please indicate the Number of permanent employees with disabilities</td><td>2</td></tr>
<tr><td>5</td><td colspan="2">Do you have an employee association that is recognized by management</td><td>Yes.
The Company has recognized employee associations at Aurangabad & Ankleshwar.</td></tr>
<tr><td>6</td><td colspan="2">What percentage of your permanent employees is members of this recognized employee association?</td><td>About 1.96%</td></tr>
<tr><td rowspan="5">7</td><td colspan="3">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</td></tr>
<tr><td>Category</td><td>No of complaints filed during the financial year</td><td>No of complaints pending as on end of the financial year</td></tr>
<tr><td>Child labour/forced labour/ involuntary labour</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Sexual harassment</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Discriminatory employment</td><td>Nil</td><td>Nil</td></tr>
<tr><td rowspan="5">8</td><td colspan="3">What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?*</td></tr>
<tr><td colspan="2">a) Permanent Employees</td><td>100%</td></tr>
<tr><td colspan="2">b) Permanent Women Employees</td><td>100%</td></tr>
<tr><td colspan="2">c) Casual/Temporary/Contractual Employees</td><td>100%</td></tr>
<tr><td colspan="2">d) Employees with Disabilities</td><td>100%</td></tr>
</table>

Note:*At all the manufacturing sites, all the Employees have to undergo safety training without that they cannot start their work.

Principle 4:

1. **Has the Company mapped its internal and external stakeholders?**

   The Company has mapped its internal and external stakeholders.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?**

   The Company has identified its disadvantaged, vulnerable and marginalised stakeholders.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

   Being a global pharmaceutical Company, the Company has analysed its eco system and identified challenges such as malnutrition, lack of sanitation, hunger and disease, education and poor rural development. Our CSR programmes are built around the key focus areas (i) Healthcare, (ii) Education, (iii) Infrastructure development; and (iv) Promoting social causes etc.

   The Company's 'Whistle Blower Policy' encourage 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.

   The policy on human rights covers internal as well as external stakeholders such as suppliers, vendors, contractors, partners, group companies and subsidiaries.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?**

   No stakeholder complaints were received in the reporting period with regards to human rights violations.

Principle 6:

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?**

   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 GHG 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 inventorisation of its Greenhouse Gas emissions.

3. **Does the Company identify and assess potential environmental risks?**

   Yes

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

   At present, the Company does not have any project related to Clean Development Mechanism.

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy etc.? If yes, please give hyperlink to web page etc.**

   Yes. The Company 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 deg.C to 7.0 deg.C for reduction in Power consumption.
   - Reduced boiler operating pressure and achieved fuel consumption up to 3%.
   - Use of Furnace oil in place of Industrial diesel in boiler.

   The details of the same have also been provided in Board's Report forming part of this Annual Report (www.wockhardt.com/investor-connect/annual-reports.aspx)

6. **Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Yes. The air quality levels are well within the standards and limits prescribed by the Pollution Control Boards.

   An effluent treatment facilities installed at the manufacturing units of the Company have been working satisfactorily and meets the regulatory norms as prescribed by the Pollution Control Boards. At few sites, discharged process water is being recycled after treatment thus conserving water.

   Solid waste from plants is also safely disposed-off or stored as per guidelines prescribed by the State Pollution Control Boards.

7. **Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as of end of financial year.**

   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 a member of the following trade and chambers or association:

   - IMS AG
   - World Economic Forum
   - Indian Pharmaceuticals Alliance
   - Federation of Indian Chamber of Commerce and Industry
   - Confederation of India Industry
   - Bombay Chamber of Commerce and Industry

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 has earlier apprised the Govt. of India that Wockhardt will help Antibiotic Stewardship Program with Govt. to encourage responsible use of antibiotic in the country:

   - Use of antibiotic by medical professional on scientific basis (highlighting misuse of drugs)
   - Advocacy approach to align Policies by Regulators
   - Create awareness for general consumers
   - Wockhardt Surveillance Study – 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 INR and the details of the projects undertaken?**

   Though, it was not mandatory for the Company to spend on CSR activities, during F.Y. 2019-20, since the average net profits of the Company for the immediately preceding 3 financial years calculated as per Section 198 of the Companies Act, 2013, was negative, Nonetheless, as a continuing good governance practices, the Company contributed ₹ 0.56 crore 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 believe that community development initiatives are adopted by the community.

Principle 9:

1. **What percentage of customer complaints / consumer cases are pending as on the end of financial year?**

   As on 31st March, 2020, there were about 1.96% complaints pending.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (Additional information)**

   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 & 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 as on 31st March, 2020 are summarised below:-

   - Around 19th 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. 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 ("MDL"), In re Generic Pharmaceutical Pricing Antitrust Litigation, 16-md-2724. The parties are presently taking discovery.
   - 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, In re: National Prescription Opiate Litigation, Case No. 1:17-md-02804-DAP.

- 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. 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. No communication is received after May 2018.

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, 2020 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.

The composition of the Board, details of other directorships, committee positions as on 31st March, 2020 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 (14th August, 2019)
Dr. H. F. Khorakiwala ***Chairman*** DIN: 00045608	Executive/Promoter	16	1	Nil	Nil	5	Yes
Mr. Aman Mehta DIN: 00009364	Independent	4	4	Nil	4	3	No
Mr. Davinder Singh Brar (5) DIN: 00068502	Independent	13	3	2	3	5	Yes
Dr. Sanjaya Baru DIN: 05344208	Independent	2	2	Nil	1	5	Yes
Ms. Tasneem Mehta DIN: 05009664	Independent	Nil	Nil	Nil	Nil	5	Yes
Mr. Baldev Raj Arora (6) DIN: 00194168	Independent	1	1	1	1	5	Yes
Mr. Vinesh Kumar Jairath (5) DIN: 00391684	Independent	5	5	Nil	5	5	Yes
Ms. Rima Nayan Marphatia DIN: 00444343	Nominee	Nil	Nil	Nil	Nil	5	Yes
Dr. Huzaifa Khorakiwala ***Executive Director*** DIN: 02191870	Executive/Promoter	15	2	Nil	1	5	Yes
Dr. Murtaza Khorakiwala ***Managing Director*** DIN: 00102650	Executive/Promoter	9	2	1	Nil	5	Yes
Ms. Zahabiya Khorakiwala DIN: 00102689	Non-Executive Non-Independent/ Promoter	8	3	1	Nil	4	No

(1) *The number of total directorships is in accordance with Section 165 of the Companies Act, 2013 which excludes foreign 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.*

(5) *Mr. Davinder Singh Brar and Mr. Vinesh Kumar Jairath attended the Board meeting held on 12th February, 2020 through Video Conference mode from Delhi and Mumbai respectively.*

(6) *Mr. Baldev Raj Arora was appointed as an Independent Director of the Company w.e.f. 28th May, 2015 for a period of 5 years. The term of Mr. Baldev Raj Arora, Independent Director is upto 27th May, 2020.*

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. H. F. Khorakiwala	Nil	Not Applicable
Mr. Aman Mehta	Vedanta Limited	Independent Director
	Max Financial Services Limited	Independent Director
	Godrej Consumer Products Limited	Independent Director
	Tata Steel Limited	Independent Director
Mr. Davinder Singh Brar	Mphasis Limited	Independent Director
	Maruti Suzuki India Limited	Independent Director
	Essel Propack Limited	Independent Director
Dr. Sanjaya Baru	Artemis Global Life Sciences Limited	Independent Director
Ms. Tasneem Mehta	Nil	Not Applicable
Ms. Rima Nayan Marphatia	Nil	Not Applicable
Mr. Baldev Raj Arora	Atul Limited	Independent Director
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
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 Directors who serves as Whole-time Director / Managing Director in any listed entity serves as an Independent Director in more than three listed entities. The Managing Director and Whole time Director does 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.

Pursuant to Regulation 17(1A) of SEBI Listing Regulations, approval of Members by way of a Special Resolution was sought in relation to continuation of the directorship of Mr. Baldev Raj Arora, Independent Director as he earlier attained seventy five years of age.

The details of equity shareholding of all the Directors are provided elsewhere in this Report.

The Board has identified the skills / expertise / competencies required for the effective functioning of the Company includes leadership and general management, strategic and business planning, technology, accounting and finance, compliance and risk management. The abovementioned skills / expertise / competencies are available with the Board as a whole.

All the Directors, 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 details of skill matrix and expertise of each member of the Board is mentioned in the Board of Director's profile which forms part of the Annual Report.

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite 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 is a proven academician in the field relevant to the Company's business. The Directors so appointed are drawn from diverse backgrounds and possess special skills with regard to the industries / fields from where they come.

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. H. F. Khorakiwala, Executive Chairman. Except this, there are no inter-se relationships amongst the Directors.

Independent Directors

The Independent Directors ('IDs') fulfil the criteria/obligations as stated under Regulation 25 of the SEBI Listing Regulations.

The IDs 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.

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

Further, a separate meeting of IDs was held on 27th January, 2020. All the IDs were present at the said meeting.

Whenever any new Independent Director is appointed, he/she is made familiar to the business and its operations and also about his role and responsibilities through presentations/programmes by Chairman, Managing Director and Senior Management. Further, the IDs are also presented with copies of magazines "The Wockhardian" and in-house newsletter of Wockhardt Group which provides the insights on the activities carried on by the Company.

The details of such Familiarisation Programme for IDs are available on: http://www.wockhardt.com/files/familiarisation-programme.pdf

(b) Board Meetings and Procedures

During the year under review, 5 (Five) Board Meetings were held on 6th May, 2019, 14th August, 2019, 7th November, 2019, 27th January, 2020 and 12th February, 2020. 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 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. However, whenever required, additional meeting has held. 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, Annual Operating Plans & Budgets, CAPEX etc.

The compliance reports pertaining to all laws applicable to the Company, Minutes of Board Meeting of unlisted subsidiaries of the Company and Minutes of Committee meetings are also placed before the Board of the Company periodically.

Further, the Directors are also provided with video-conferencing/audio visual facilities to facilitate them to participate in the Board/Committee meetings. During the year, Mr. D. S. Brar and Mr. Vinesh Kumar Jairath, the Board of Directors have attended the Board meeting held on 12th February, 2020 through Video Conference (VC) mode from Delhi and Mumbai respectively. The Board members has attended meeting through VC confirmed that no other person were attending or having access to the VC and also confirmed that audio / video were clearly audible and visible.

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 decisions taken at the earlier Board meetings are also placed before the Board of the Company.

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 fulfill 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.

Further, the Board skills parameters as identified in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board of Directors are pharmaceutical/biotechnology expertise; scientific and medical research expertise; integrity (ethics); business and corporate planning and strategy; entrepreneur, corporate management; law and governance; global regulatory experience; commercial partnering, M&A; and previous board experience.

3. BOARD COMMITTEES

The Company has constituted various Committees for the smooth functioning of the Board. The composition of all the Board Committees are in accordance with the provisions of the 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 Board Committees and other related information are provided hereunder:

A) AUDIT COMMITTEE

Terms of reference, Meetings & Composition

(i) Terms of reference

Pursuant to the SEBI Listing Regulations and Section 177 of the Act, the role of the Audit Committee broadly covers as under:

Financial Reporting and other Financial Matters

- Oversight of Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible;
- Reviewing with the management, quarterly unaudited financial statements and annual audited financial statements & Auditors' Report thereon before submission to the Board for approval. Review of annual financial statements *inter alia* includes reviewing changes in Accounting Policies, if any, major accounting entries involving estimates, significant adjustments made in financial statements, qualifications in draft Audit report, if any;
- Reviewing management discussion and analysis of financial condition and results of operations;
- Scrutiny of inter-corporate loans & investments;
- Monitoring the performance of the unlisted subsidiaries by reviewing their financial statements including the investments made by them; 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; and
- Reviewing the functioning of Whistle Blower Mechanism.
- The Audit Committee has all the powers as specified in Regulation 18 of the SEBI Listing Regulations to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary and pursuant to Section 177 of the Act.

(ii) Meetings

During the year under review, the Audit Committee met 5 (Five) times on 6th May, 2019, 14th August, 2019, 7th November, 2019, 27th January, 2020 and 12th February, 2020. The maximum gap between any two consecutive meetings was not more than one hundred and twenty days.

(iii) Composition

As on 31st March, 2020, the Audit Committee comprises of 6 (Six) Independent Directors which is in accordance with Regulation 18 of the SEBI Listing Regulations read with Section 177 of the Act.

The details of composition of the Audit Committee and the particulars of attendance at its meetings are given below:

Name of the Director/Member	Designation	Category	Profession	No. of Meetings Attended
Mr. Aman Mehta	Chairperson	Independent	Business Professional	3
Mr. Davinder Singh Brar*	Member	Independent	Business Professional	5
Dr. Sanjaya Baru	Member	Independent	Economist	5
Ms. Tasneem Mehta	Member	Independent	Business Professional	5
Mr. Baldev Raj Arora	Member	Independent	Business Professional	5
Mr. Vinesh Kumar Jairath*	Member	Independent	Business Professional	5

** Mr. Davinder Singh Brar and Mr. Vinesh Kumar Jairath attended the Audit Committee meeting held on 12th February, 2020 through Video Conference mode from Delhi and Mumbai respectively.*

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. In the absence of Mr. Aman Mehta, Mr. D.S. Brar and Dr. Sanjaya Baru were inducted as the Chairman of Audit Committee meeting held on 14th August, 2019 and 12th February, 2020. Nonetheless, Mr. Aman Mehta, was the Chairman of the Audit Committee of the Company throughout the year.

Mr. Aman Mehta Chairman of the Audit Committee was unwell and could not attend the Annual General Meeting held on 14th August, 2019. However, Mr. D.S. Brar, Member of the Audit Committee, was present at the AGM of the Company held on 14th August, 2019 and has answered to the Shareholder queries.

Mr. Narendra Singh, Company Secretary, acts as a Secretary to the Audit Committee. The Board of Director of the Company at their meeting held on 11th May, 2020 took the note of resignation of Mr. Narendra Singh from the position of Company Secretary and Compliance Officer of the Company with effect from closure of the working hours on 11th May, 2020 and appointed Mr. Gajanand Sahu as a Company Secretary and Compliance Officer (Acting) w.e.f. 12th May, 2020.

The Statutory Auditors, Head of Internal Audit, Head of Finance and Executive Directors, upon invitation, attend the meetings.

B) 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 6th May, 2019, 14th August, 2019, 7th November, 2019 and 27th January, 2020.

(iii) Composition

As on 31st March, 2020, 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.

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	3
Mr. Davinder Singh Brar	Member	Independent	Business Professional	4
Ms. Tasneem Mehta	Member	Independent	Business Professional	4
Mr. Baldev Raj Arora	Member	Independent	Business Professional	4
Mr. Vinesh Kumar Jairath	Member	Independent	Business Professional	4

Dr. Sanjaya Baru, Chairman of the Stakeholders Relationship Committee was present at the AGM of the Company held on 14th August, 2019 and has answered the queries of security holders.

(b) Compliance Officer

The Board of Director of the Company at their meeting held on 11th May, 2020 took the note of resignation of Mr. Narendra Singh from the position of Company Secretary and Compliance Officer of the Company with effect from closure of the working hours on 11th May, 2020 and appointed Mr. Gajanand Sahu as a Company Secretary and Compliance Officer (Acting) w.e.f. 12th May, 2020.

Mr. Gajanand Sahu, Company Secretary & Compliance Officer, would be responsible w.e.f. 12th May, 2020 for the compliance with the requirements of the Securities Laws and SEBI Listing Regulations with the Stock Exchanges.

(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.

A statement providing the category wise details of the complaints received from the shareholders during the year ended 31st March, 2020 and the status for the same is as under:

Sr. No.	Nature of Communication	Opening Balance	Received during the FY 2019-20	Replied / Resolved during FY 2019-20	Pending as of 31.03.2020
1	Non Receipt of Duplicate Share Certificate.	0	1	1	0
2	Non Receipt of Share Certificate(s)	0	1	1	0
3	Change of Address, Registration of NECS / ECS Details, Registration of PAN / Email Id / Phone	0	1	1	0
4	Un-Claimed Dividend	0	2	2	0
5	Stop Transfer and Procedure for duplicate cum transmission	0	1	1	0
	TOTAL	**0**	**6**	**6**	**0**

Apart from the above, there were 471 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. received during the FY 2019-20 out of which 454 letters/queries were replied/resolved as of 31st March, 2020. The pending 17 letters/queries which were received at the end of March, 2020 and couldn't replied at end of March, 2020 due to amid the outbreak of COVID-19 pandemic and National Lockdown declared by Government of India and the same were replied/resolved post 31st March, 2020.

As on 31st March, 2020, 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.

C) NOMINATION AND REMUNERATION COMMITTEE

a) Terms of Reference, Meetings & Composition

Pursuant to the SEBI Listing Regulations and Section 178 of the Act, the role of the Nomination and Remuneration Committee broadly covers as under:

(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, 1 (One) meeting of the NRC were held on 6th May, 2019 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, 2020, the composition of NRC is given below:

Name of the Director/Member	Designation	Category	Profession	No. of Meetings Attended
Mr. D. S. Brar	Chairperson	Independent	Business Professional	1
Dr. H. F. Khorakiwala	Member	Executive Chairman	Business Professional	1
Mr. Aman Mehta	Member	Independent	Business Professional	1
Dr. Sanjaya Baru	Member	Independent	Economist	1

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 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 criteria for determining Qualifications, Positive Attributes and Independence of a Director are as under:

Qualifications: A nomination process is in place that encourages diversity of thought, experience, knowledge, age and gender etc. It is also ensured that the Board has an appropriate blend of functional and industry expertise.

Positive Attributes: The Directors on the Board are expected to demonstrate high standards of ethical behavior, interpersonal skills and soundness of judgment. Independent Directors are also 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 lays 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 shall be done by the entire Board of Directors, subject to the condition that the Director who is subject to evaluation should not participate. The criteria for performance evaluation covers parameters such as decision taken in the interest of the organization objectively; assisting the Company in implementing the Corporate Governance; monitoring performance of organization based on agreed goals & financial performance; fulfillment 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 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, 2020 is as under:

Name of Director	Tenure upto	No. of equity shares held by Directors as on 31st March, 2020	Remuneration for the financial year ended 31st March, 2020 (₹ in crore)		
			Sitting fees	Salary and Perquisites	Total
Dr. H. F. Khorakiwala&	28th February, 2025	442,785	N.A.	2.80	2.80
Mr. Aman Mehta**	31st March, 2024	2,500	0.09	N.A.	0.09
Mr. Davinder Singh Brar**	31st March, 2024	500	0.14	N.A.	0.14
Dr. Sanjaya Baru**	31st March, 2024	500	0.14	N.A.	0.14
Ms. Tasneem Mehta#	29th September, 2024	Nil	0.15	N.A.	0.15
Mr. Baldev Raj Arora$$	27th May, 2020	Nil	0.15	N.A.	0.15
Mr. Vinesh Kumar Jairath	9th November, 2021	Nil	0.15	N.A.	0.15
Dr. Huzaifa Khorakiwala@	30th March, 2024	216,000	N.A.	2.40	2.40
Dr. Murtaza Khorakiwala@	30th March, 2024	226,200	N.A.	2.40	2.40
Ms. Zahabiya Khorakiwala$	—	Nil	0.04	N.A.	0.04
Ms. Rima Marphatia	—	Nil	0.05	N.A.	0.05

& *Dr. H. F. 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. Davinder Singh 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.*

Ms. 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. Baldev Raj Arora was appointed as an Independent Director of the Company w.e.f. 28th May, 2015 for a period of 5 years The present term of Mr. Baldev Raj Arora is upto 27th May, 2020.*

Notes:

1. No commission has been paid to Executive and Non-Executive Directors (including Independent Directors) during the year ended 31st March, 2020.
2. Approval of the Shareholders by way of special resolution have been sought for payment of remuneration to Executive Chairman, Executive Director and Managing Director.
3. There is no provision for payment of severance fees and no performance linked incentives are 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 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.

D) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Terms of Reference, Meetings & Composition

Corporate Social Responsibility Committee is constituted 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 2019-20, 1 (One) meeting of CSR Committee was held on 6th May, 2019 and the same was attended by all the members of the Committee.

(iii) Composition

As on 31st March, 2020, the CSR Committee comprises of Dr. H. F. Khorakiwala, Executive Chairman, Dr. Huzaifa Khorakiwala, Executive Director, Mr. Davinder Singh Brar, Independent Director and Mr. Aman Mehta, Independent Director as its members.

Dr. H. F. 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.

E) 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. Pursuant to the SEBI Listing Regulations, the said Regulation is applicable on the Company and effective from 1st April, 2019.

(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

SEBI vide Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/48 dated March 26, 2020 extended the relaxation to convene the Risk Committee Meeting by June 30, 2020. In view of this, the Risk Committee meeting for FY 2019-20 shall be convened on or before 30th June, 2020.

(iii) Composition

The Risk Management Committee comprises of Dr. H. F. Khorakiwala, Executive Director, Chairman, Dr. Murtaza Khorakiwala, Managing Director, Mr. Davinder Singh Brar, Independent Director and Mr. Manas Datta, Chief Financial Officer as its members. Dr. H. F. Khorakiwala is the Chairman of the Risk Management Committee.

F) OTHER COMMITTEES OF THE BOARD

Apart from the Committees being required mandatorily, the Board has also constituted certain Committees and has delegated some specific powers to such Committees. Each Committee has its distinct role, scope and powers. The Minutes of these Committee meetings are also periodically placed before the Board for noting.

The Board has constituted following 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;
- 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) Meetings

During the year under review, 5 (Five) meeting of Credit Facilities Committee were held on 3rd April, 2019, 4th June, 2019, 8th November, 2019, 27th December, 2019 and 30th January, 2020 which were attended by all the members of the Committee.

(iii) Composition

As on 31st March, 2020, the Committee comprises of three Directors viz. Dr. H. F. Khorakiwala, Executive Chairman, Dr. Huzaifa Khorakiwala, Executive Director and Dr. Murtaza Khorakiwala, Managing Director as its members. Dr. H. F. Khorakiwala is the Chairman of the Credit Facilities 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) Meetings

During the year under review, 2 (Two) Share Allotment Committee meeting were held on 4th June, 2019 and 10th September, 2019. The Committee meetings were attended by all the members.

(iii) Composition

As on 31st March, 2020, the Committee comprises of three Directors viz. Dr. H. F. Khorakiwala, Executive Chairman, Dr. Huzaifa Khorakiwala, Executive Director and Dr. Murtaza Khorakiwala, Managing Director as its members. Dr. H. F. Khorakiwala is the Chairman of the Share Allotment Committee.

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) Meetings

During the year under review, 1 (One) meeting of ESOS Compensation Committee was held on 7th November, 2019 which were attended by all members of the Committee.

(iii) Composition

As on 31st March, 2020, ESOS Compensation Committee comprises of Dr. Sanjaya Baru, Chairperson of the Committee (Independent Director), Dr. H. F. Khorakiwala (Executive Chairman) and Ms. Tasneem Mehta (Independent Director) as its members.

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.

(ii) Meetings

During the year under review, 1 (One) meetings of the Capital Raising Committee was held on 30th March, 2020 through Video Conferencing Mode. The Meeting were attended by all members of the Company except Dr. H. F. Khorakiwala and Dr. Murtaza Khorakiwala who could not attend the meeting and leave of absence was granted to them.

As Dr. H. F. Khorakiwala, Chairman of the Capital Raising Committee was not present at the meeting, after discussions, Mr. Baldev Raj Arora was unanimously elected as the Chairman of the said meeting.

In view of COVID-19 pandemic and lockdown announced by the Government of India restricting the movement of persons, the Committee meeting was convened through VC

(iii) Composition

As on 31st March, 2020, Capital Raising Committee comprises of Dr. H. F. Khorakiwala, Executive Chairman, Ms. Tasneem Mehta, Independent Director, Mr. Baldev Raj Arora, Independent Director, Mr. Vinesh Kumar Jairath, Independent Director and Dr. Murtaza Khorakiwala, Executive Directors as its members. Dr. H. F. Khorakiwala is the Chairman of the Capital Raising Committee.

Consequent to retirement of Mr. Shekhar Datta as an Independent Director on 31st March, 2019, the Capital Raising Committee was also re-constituted with effect from 1st April, 2019. Ms. Tasneem Mehta and Dr. Murtaza Khorakiwala, Directors, were inducted as members of the Capital Raising Committee.

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 thereat by e-voting and poll, are as follows:

Financial Year ended	Day and Date	Time	Location	Special Resolution Passed
31st March, 2019	Wednesday, 14th August, 2019	12.00 noon	The Benchmark, Nakshatrawadi, Paithan Road, Aurangabad- 431 005	1) Re-appointment of Dr. H. F. Khorakiwala as an Executive Chairman and Fixation of Remuneration. 2) Re-appointment of Ms. 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.
31st March, 2018	Saturday, 4th August, 2018	12.00 noon	The Benchmark, Nakshatrawadi, Paithan Road, Aurangabad- 431 005	1) Re-appointment of Dr. Huzaifa Khorakiwala as an Executive Director and Fixation of Remuneration. 2) Re-appointment of Dr. Murtaza Khorakiwala as Managing Director and Fixation of Remuneration. 3) Re-appointment of Mr. Aman Mehta as an Independent Director of the Company. 4) Re-appointment of Mr. Davinder Singh Brar as an Independent Director of the Company. 5) Re-appointment of Dr. Sanjaya Baru as an Independent Director of the Company. 6) Approval for issuance of Non-Convertible Debentures ('NCDs') upto ₹ 1,200 crore on private placement basis.
31st March, 2017	Wednesday, 2nd August, 2017	12.00 noon	The Benchmark, Nakshatrawadi, Paithan Road, Aurangabad- 431 005	Approval for issuance of Non-Convertible Debentures ('NCDs') upto ₹ 1,200 crore on private placement basis.

b) Extraordinary General Meeting:

No extraordinary general meeting of the members was held during FY 2019-20.

c) Postal Ballots:

Pursuant to Sections 108 and 110 of the Act including Rules made there under and Regulation 44 of the SEBI Listing Regulations, the Postal Ballots were conducted in physical & e-voting mode. Mr. Virendra G. Bhatt, Practicing Company Secretary (ACS No. 1157, CP No. 124) was appointed as Scrutinizer for conducting Postal Ballot in a fair and transparent manner.

The Company engages the services of National Securities Depository Limited ("NSDL") for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical postal ballot form or through e-voting. The Company dispatches the postal ballot notices and forms along with postage pre-paid self-addressed envelope to its members whose names appear on the Register of Members / List of Beneficiaries as on cut-off date. The postal ballot notice is sent to members in electronic form to the email addresses registered with the Company/Company's RTA. The Company also publishes a notice in the newspapers declaring the details of completion of dispatch and other requirements under the Act and the Rules issued thereunder.

Voting rights are reckoned on the paid up value of shares of the Company in the names of the shareholders as on the cut-off date. Members desiring to vote through physical postal ballot form are requested to return the forms, duly completed and signed so as to reach the Scrutinizer before the close of the voting period. Members desiring to exercise their votes by electronic mode are requested to vote before the close of business hours on the last date of e-voting.

The Scrutinizer submits his report to the Chairman, after the completion of scrutiny and the consolidated results of the voting by postal ballot are then announced by the Chairman or any Director authorised by him or Company Secretary. The results are displayed on the website of the Company www.wockhardt.com, besides being communicated to the Stock Exchanges and NSDL.

The resolution, if passed with requisite majority, shall be deemed to be passed on the last date specified by the Company for receipt of duly completed e-voting or postal ballot forms.

During the year ended 31st March, 2020, following special resolutions were passed through Postal Ballot:

Resolution of Postal Ballot passed on 16th March, 2020

During the year under review, the Company has passed one special resolution through postal ballot for approval for transfer of the Business Undertaking, a division of the Company to Dr. Reddy's Laboratories Limited under Section 180(1)(a) of the Companies Act, 2013

Details of voting pattern: Assent – 99.99%; Dissent – 0.01%

5. 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.

The transactions with Wockhardt Bio AG, subsidiary company, being a material related party transaction as per the threshold prescribed under Regulation 23 of the SEBI Listing Regulations, have been approved by the members of the Company at the AGM held on 15th September, 2014. 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), if any, with related parties are 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/policy-on-rpt-01-4-19.pdf

The details about Related Party Transactions have also been provided in the Board's Report forming part of this Annual Report.

b. Compliance

Your Company has complied with the requirements of the Stock Exchanges, SEBI and other Statutory Authority on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority relating to the above.

c. Code of Conduct

Your Company has laid down a 'Code of Business Conduct and Ethics' for the Directors and the Senior Management Personnel. The Code includes the terms of reference, role and duties of Independent Directors as laid down in Schedule IV of 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, 2020. A declaration to this effect signed by Dr. Murtaza Khorakiwala, Managing Director forms part of this Report.

d. Whistle Blower Policy/Vigil Mechanism

In line with Regulation 22 of the SEBI Listing Regulations and Section 177 of the 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

e. Disclosure of Accounting Treatment

The Company has prepared the financial statements for the year in compliance with the Indian Accounting Standards ('Ind AS') notified by the Ministry of Corporate Affairs. The Significant Accounting Policies which are consistently applied in preparation of the financial statements as per Ind AS have been set out in the Notes to financial statements.

f. CEO/CFO Certification

In terms of requirements of Regulation 17(8) of the SEBI Listing Regulations read with Part B of Schedule II thereunder, Dr. Murtaza Khorakiwala, Managing Director and Mr. Manas Datta, Chief Financial Officer have furnished certificate to the Board in the prescribed format for the year ended 31st March, 2020. The certificate has been reviewed by the Audit Committee and taken on record by the Board at the meeting held on 11th May, 2020.

g. 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 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.

h. Material Subsidiaries

As on 31st March, 2020, Wockhardt USA LLC, Wockhardt Bio AG, Wockhardt UK Limited, Pinewood Laboratories Limited, Morton Grove Pharmaceuticals Inc are the unlisted/listed material subsidiaries, which are incorporated outside India, 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/policy-on-material-subsidiaries-17-12-2515.pdf

During the year under review, in compliance with Regulation 24 of the SEBI Listing Regulations as the Company have no unlisted material subsidiary incorporated in India/outside India, and hence there was no need to nominate an Independent Director of the Company on the Board of such subsidiary.

i. 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. H. F. Khorakiwala is the Chairman and Dr. Murtaza Khorakiwala is the Managing Director of the Company.
- Modified Opinion in Audit Report – The Statutory Auditors of the Company have not raised any qualifications/modified opinion on the financial statements of 2015-16, 2016-17, 2017-18 2018-19 and 2019-20 thereby moving towards regime of unqualified/unmodified financial statements.

j. 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, 2018 applicable with effect from 1st April, 2019 along with adoption of all the requisite policies.

k. Other SEBI Listing Regulations

The Company has complied with all the applicable provisions of the SEBI Listing Regulations in relation to Corporate Governance requirements. The disclosures of all the compliances pursuant to said Regulations are made elsewhere in this Report.

l. Policies

The brief about the policies and weblink thereto have been provided in the Board's Report forming part of this Annual Report.

6. 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 & Spilt History, 10 years financial summary have been made available to the investors for easy access to the details. A separate section for Investors is available wherein the updated information pertaining to quarterly, half-yearly and annual financial results, official press releases, investor communications, shareholding pattern is available in a user friendly and downloadable form.

  With effect from 1st December, 2015, the Company's website contains all the communications made to the Stock Exchange from time to time.

- **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

- **Reminders to Shareholders:** The Company sends reminders periodically to all those shareholders who have not encashed their dividend declared by the Company in the earlier years.

- **Chairman's Communication/Letter:** The Chairman's speech is distributed to the shareholders at the AGM. The same is also placed on the website of the Company. Further, the quarterly results are sent to the members of the Company by way of Chairman's letter.

- **Exclusively Designated Email ID:** The Company has 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.

7. CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

The Certificate from Mr. Virendra G. Bhatt, Practicing Company Secretary, regarding compliance of conditions of Corporate Governance for the financial year ended 31st March, 2020 forms part of this Report.

8. GENERAL SHAREHOLDER INFORMATION

21st Annual General Meeting

The 21st AGM of the Company will be held on 3rd August, 2020 at 12.00 noon through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") pursuant to the MCA circular dated 5th May 2020 and hence no venue is mentioned. For the details please refer the Notice of the AGM.

Financial Year and Tentative Financial Calendar

Financial Year – 1st April to 31st March

Tentative Schedule for declaration of financial results during the financial year 2020-21 and holding of AGM is as under:

Results of Quarter ending 30th June, 2020	On or before 14th August, 2020
Results of Quarter ending 30th September, 2020	On or before 14th November, 2020
Results of Quarter ending 31st December, 2020	On or before 14th February, 2021
Results for financial year ending 31st March, 2021	On or before 30th May, 2021
AGM for the year ending 31st March, 2021	On or before 30th September 2021

Book Closure Date

28th July, 2020 to 3rd August, 2020 (both days inclusive)

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, 2020.

Stock Codes

(a) Stock code

BSE Limited (BSE) : 532300
National Stock Exchange of India Limited (NSE) : WOCKPHARMA

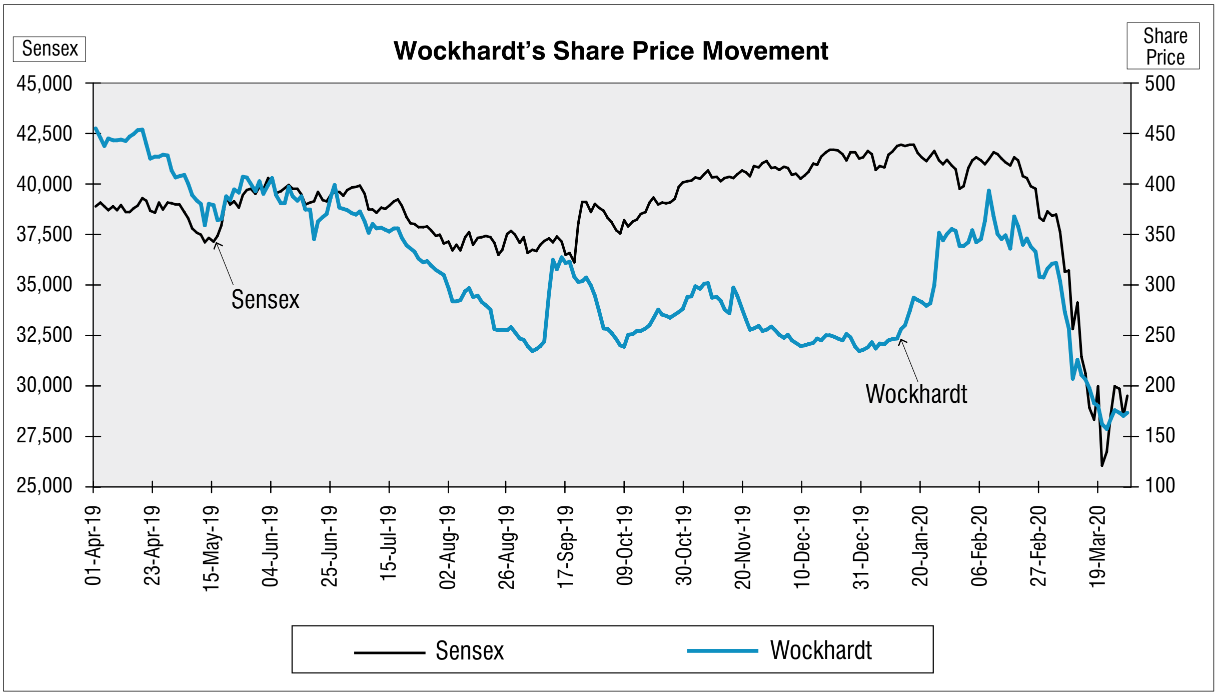
(b) Corporate Identity Number (CIN) : L24230MH1999PLC120720

MARKET PRICE DATA: High/Low and number of shares traded during each month in the financial year 2019-20 on NSE and BSE

Month	NSE			BSE		
	High (₹)	Low (₹)	Monthly Volume	High (₹)	Low (₹)	Monthly Volume
April - 2019	470.90	406.00	30,286,764	470.50	406.15	3,290,810
May - 2019	418.95	349.00	25,894,758	420.00	349.15	2,772,874
June - 2019	410.65	319.05	36,065,877	410.00	318.95	3,305,907
July - 2019	378.00	309.10	10,123,831	379.25	309.10	987,116
August - 2019	315.00	242.50	9,934,833	314.50	242.50	996,023
September - 2019	346.80	231.20	32,604,665	346.15	231.50	3,882,914
October - 2019	295.45	230.15	15,176,179	295.80	230.00	1,686,552
November - 2019	312.00	250.25	28,316,841	312.10	250.00	3,019,489
December - 2019	259.65	233.35	14,866,668	259.05	233.35	1,988,965
January - 2020	374.80	232.00	72,287,446	374.55	232.10	5,734,565
February - 2020	411.65	300.00	41,568,149	411.60	301.05	5,191,589
March - 2020	329.30	146.70	14,891,947	329.30	147.20	2,324,919

Source: Websites of NSE and BSE

STOCK PRICE PERFORMANCE INDEX IN COMPARISON WITH BSE SENSEX FOR THE FINANCIAL YEAR 2019-20



Source: Websites of BSE

9. 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

10. 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.

Your Company obtains a half-yearly Compliance Certificate from a Company Secretary in Practice as required under Regulation 40(9) of the SEBI Listing Regulations and 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, 2019 and 31st March, 2020 have been duly submitted to the Stock Exchanges.

11. DEMATERIALISATION OF SHARES AND LIQUIDITY

The Company's equity shares are compulsorily traded in electronic form and are available for trading with both the Depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31st March, 2020, 109,966,907 equity shares representing 99.31 % of the Company's total paid-up equity share capital were held in dematerialized mode. Out of Public Shareholding of 30,856,327 equity shares, 30,088,231 equity shares representing 97.51% of the Public Shareholding is in dematerialized mode.

The International Securities Identification Number (ISIN) assigned to Company's Equity Shares is INE049B01025.

12. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2020

No. of Equity Shares	No. of Shareholders	% of total Shareholders	Amount in ₹	% of total Amount
1 – 500	112,897	93.60	44,335,395	8.01
501 – 1000	5,108	4.24	17,891,180	3.23
1001 – 2000	1,447	1.20	10,455,895	1.89
2001 – 3000	420	0.35	5,325,165	0.96
3001 – 4000	200	0.17	3,536,480	0.64
4001 – 5000	114	0.09	2,654,565	0.48
5001 – 10000	214	0.18	7,697,580	1.39
Above 10000	211	0.17	461,778,755	83.40
TOTAL	**120,611**	**100.00**	**553,675,015**	**100.00**

13. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2020

Sr. No.	Categories	No. of Equity Shares	Amount in ₹	% to total Paid-up Capital
A)	Promoters & Promoter Group	79,878,676	399,393,380	72.13
B)	Public shareholding	30,856,327	154,281,635	27.87
C)	Non-Promoter – Non Public	—	—	—
C1)	Shares Underlying DRs	—	—	—
C2)	Shares Held By Employee Trust	—	—	—
	TOTAL (A+B+C)	**110,735,003**	**553,675,015**	**100.00**

Notes:

i. *As on 31st March, 2020, there are 160,000,000 0.01% Non-Convertible Cumulative Redeemable Preference Shares (NCRPS Series 5) of ₹ 5 each; and 500,000,000 4% Non-Convertible Non-Cumulative Redeemable Preference Shares (NCCRPS) of ₹ 5 each. These Preference Shares are not listed on the Stock Exchanges.*

ii. *During the year, paid up Equity Share Capital of the Company has been increased by ₹ 244,000 due to allotment of 48,800 equity shares of ₹ 5 each pursuant to exercise of stock options.*

14. 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 December, 2008 were transferred to IEPF Account. As on 31st March, 2020, 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
2012-13	Final	2nd September, 2013	7th October, 2020
2013-14	1st Interim	25th October, 2013	29th November, 2020
2013-14	2nd Interim	9th February, 2014	16th March, 2021
2014-15	Interim	3rd November, 2014	8th December, 2021
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.

15. OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

As on 31st March, 2020, the Company has no outstanding GDR's and convertible instruments.

16. EQUITY SHARE CAPITAL HISTORY OF THE COMPANY SINCE INCORPORATION UP TO 31ST MARCH, 2020

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

17. 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.

18. PLANT LOCATIONS

Formulations		Bulk Drugs
L-1, MIDC Area, Chikalthana, Aurangabad – 431 210 Maharashtra	Plot No. 87/A, Silver Industrial Estate, Bhimpore, Nani Daman – 396 210, Daman	Plot No. 138, GIDC Industrial Estate, Ankleshwar – 393 002, Gujarat
E-1/1, MIDC, Shendra, Aurangabad – 431 201 Maharashtra	Survey No. 106/4,5,7 Daman Industrial Estate, Kadaiya, Nani Daman – 396 210, Daman	
H-14/2, MIDC, Waluj, Aurangabad – 431 136 Maharashtra	57, Kunjhal, Barotiwala, Nalagarh, District Solan – 174 103, Himachal Pradesh	
B-15/2, MIDC, Waluj, Aurangabad – 431 136 Maharashtra		

19. 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 2019-20	Revisions in ratings assigned in FY 2019-20 date-wise	Current Rating
1.	Fund-based	CARE BBB-; Negative [Triple B Minus; Outlook: Negative	1) CARE BB+; Stable (Double B plus: Outlook: Stable) (30th September, 2019) 2) CARE BB+; (Under credit watch with positive implications) (25th February, 2020)	CARE BB+; (Under credit watch with positive implications)
2.	Non-fund-based	CARE A3 [A Three]	1) CARE A4+ [A Four Plus] (30th September, 2019) 2) CARE A4+ (Under credit watch with positive implications) (25th February, 2020)	CARE A4+; (Under credit watch with positive implications)
3.	Debentures – Non-Convertible Debentures	CARE BBB-; Negative [Triple B Minus; Outlook: Negative]	1) CARE BB+; Stable [Double B plus: Outlook: Stable] (30th September, 2019) 2) CARE BB+; (Under credit watch with positive implications) (25th February, 2020)	CARE BB+; (Under credit watch with positive implications)

(b) India Ratings & Research

Sr. No.	Name of the Instrument/ Bank Facilities	Last Rating assigned before beginning of FY 2019-20	Revisions in ratings assigned in FY 2019-20 date-wise	Current Rating
1.	Fund-based/Term Loan (Long-term loan facilities)	IND BBB-/outlook: Negative	1) IND BB+/Negative (28th August, 2019) 2) IND BB+/RWE (25th February, 2020)	IND BB+/RWE
2.	Short-term Bank facilities/Commercial Paper	IND A3	1) IND A4+ (28th August, 2019) 2) IND A4+/RWE (25th February, 2020)	IND A4+/RWE

RWE: (Rating watch evolving) indicates that ratings may be affirmed, downgraded or upgraded.

20. DETAILS OF UTILISATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT AS SPECIFIED UNDER REGULATION 32(7A)

During the year ended on 31st March, 2020, no funds were raised through preferential allotment or qualified institutions placement.

However, during the year 2019-20, the Company has extended the date of redemption of 16,00,00,000 Nos. of 0.01% Non-Convertible Cumulative Redeemable Preference Shares ('NCRPS Series 5') for a period of 1 year i.e. from 31st March, 2020 to 31st March, 2021 at a redemption premium of 8% p.a. on the redemption value of said Preference Shares as on 31st March, 2020. Redemption value of said Preference Shares, as on 31st March, 2020, stands ₹ 99.84 crore. During this period of 1 year, both the Company and NCRPS Series 5 holder shall have the right of early redemption by giving one month notice. In such case, redemption premium would be charged for the period commencing 1st April, 2020 till the actual date of redemption of the said Preference Shares.

21. CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE ON NON-DISQUALIFICATION OF DIRECTORS OF THE COMPANY

A Certificate has been received from Mr. Virendra G. Bhatt, Practicing Company Secretary, 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.

22. 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, 2020**
Statutory Audit Fees	0.75
Tax Audit Fees	0.25
Fees for other Services	0.60
Out-of-pocket expenses	0.05
Total Auditor's Remuneration	**1.65**

23. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT

During the year under review, the company has already sent three reminders to the Shareholders pursuant to Regulation 39(4) read with Schedule VI of the SEBI Listing Regulations. The third and final reminder was sent to the Shareholders on 28th February, 2020. As per the last reminder, the shareholders were requested to respond within 21 days from the date of receipt of said reminder to the Registrar & Transfer Agent i.e. M/s. Link Intime India Private Limited. The Company has already opened Demat account with Depository.

However, amid the outbreak of Covid-19 pandemic and pursuant to the national lockdown declared by the Government of India, the process for transfer of unclaimed shares to an "Unclaimed Suspense Account" couldn't be carried out at the end of year and will be carried out in due course of time.

24. DISCLOSURES IN RELATION TO SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDERESSAL) ACT, 2013

The details have been disclosed in the Board's Report and Business Responsibility Report forming part of this Annual Report.

For and on behalf of Board of Directors

Dr. H. F. Khorakiwala
Chairman
DIN: 00045608

Place: Mumbai
Date: 11th May, 2020

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, 2020 from all the Board Members and the Senior Management Personnel.

For **WOCKHARDT LIMITED**

Dr. Murtaza Khorakiwala
Managing Director
DIN: 00102650

Place: Mumbai
Date: 11th May, 2020

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, 2020, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') as referred to in Regulation 15(2) of the SEBI Listing Regulations for the year ended 31st March, 2020.

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 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; CP No.: 124

Place: Mumbai
Date : 11th May, 2020

UDIN: A001157B000226943

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 **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, 2020 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 at current Designation	Original Date of Appointment
1	Aman Mehta	00009364	12/02/2004	12/02/2004
2	Habil Fakhruddin Khorakiwala	00045608	31/03/2009	08/07/1999
3	Davinder Singh Brar	00068502	13/09/2012	06/08/2012
4	Murtaza Habil Khorakiwala	00102650	29/06/2009	31/03/2009
5	Zahabiya Habil Khorakiwala	00102689	04/08/2018	30/10/2017
6	Baldev Raj Arora	00194168	12/09/2015	28/05/2015
7	Vinesh Kumar Jairath	00391684	02/08/2017	10/11/2016
8	Rima Nayan Marphatia	00444343	06/05/2019	06/05/2019
9	Huzaifa Habil Khorakiwala	02191870	29/06/2009	31/03/2009
10	Tasneem Vikram Singh Mehta	05009664	12/09/2015	30/09/2014
11	Sanjaya Baru	05344208	13/09/2012	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

Date : 11th May, 2020
Place: Mumbai
UDIN: A001157B000223225

NOTES

NOTES

NOTES

Bankers (Indian Operations)

- Bank of Baroda
- Bank of Maharashtra
- Export-Import Bank of India
- ICICI Bank Limited
- IDBI Bank Limited
- Punjab National Bank
- State Bank of India

Auditors

- B S R & Co. LLP

Solicitors

- Cyril Amarchand Mangaldas
- Khaitan & Co., LLP
- Clifford Chance
- King and Spalding

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

EMROK® and EMROK® O

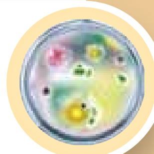
India's First Discovered Novel Chemical Entity Antibiotic

EMROK® Unique Features

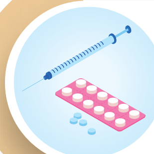
1 **Unique mechanism of action:** Dual action on DNA gyrase & topo IV

2 No dose adjustments in hepatic impairment

3 Rapid bactericidal action

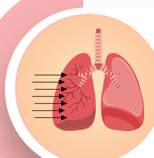


4 Easier to switch from IV to oral



5 Suitable for long term use

6 Better tissue penetration



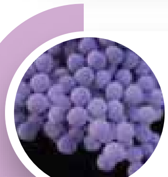
7 Unique structure

8 Eradicates biofilm

9 **Superior safety:**

NO
- QT prolongation
- Liver enzyme elevation
- Phototoxic potential

10 **Unique broad spectrum of coverage:** Gram-positive including MRSA, Respiratory Gram negative, atypical and anaerobic bacteria



WOCKHARDT WORLDWIDE

GLOBAL HEADQUARTERS

Wockhardt Limited
Wockhardt Towers
Bandra Kurla Complex
Bandra (East), Mumbai-400051
Maharashtra, India
Tel: +91 22 26534444
Fax: +91 22 26523905

Wockhardt Bio AG
Grafenauweg 6
6300 ZUG, Switzerland
Tel: +41 41 7275220
Fax: +41 41 7275221

REGISTERED OFFICE

Wockhardt Limited
D-4, MIDC, Chikalthana
Maharashtra-431006, India
Tel: +91 240 6694444
Fax: +91 240 2489219

RESEARCH CENTRES

Wockhardt Research Centre
D-4, MIDC, Chikalthana
Maharashtra-431006, India
Tel: +91 240 6694444

Morton Grove Pharmaceuticals Inc
6451 Main Street
Morton Grove
Illinois 60053-2633, USA
Tel: +1 847 9675600

CP Pharmaceuticals Limited
Ash Road North
Wrexham Industrial Estate
Wrexham, LL13 9UF Wales, UK
Tel: +44 1978 661261

INTERNATIONAL GROUP COMPANIES

Wockhardt USA LLC
20 Waterview Boulevard, 3rd Floor
Parsippany NJ 07054-1229, USA
Tel: +1 973 2574960

Morton Grove Pharmaceuticals Inc
6451 Main Street, Morton Grove
Illinois 60053-2633, USA
Tel: +1 847 9675600

Wockhardt UK Limited
Ash Road North
Wrexham Industrial Estate
Wrexham, LL13 9UF Wales, UK
Tel: +44 1978 661261

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

Laboratoires Negma
Buroplus 3
ZA de la Clef St Pierre
1 Bis Avenue Jean D'alembert
CS 80563
78996 Elancourt Cedex, France
Tel: (0033) 1 61 37 20 00

MANUFACTURING PLANTS

Wockhardt Limited
B-15/2, MIDC Waluj
Maharashtra-431136, India
Tel: +91 240 6636400

Wockhardt Limited
H-14/2, MIDC
Area Waluj
Maharashtra-431136, India
Tel: +91 240 6664444

Wockhardt Limited
L-1, MIDC, Chikalthana
Maharashtra-431210, India
Tel: +91 240 6637444

Wockhardt Limited
E-1/1, MIDC, Shendra
Maharashtra-431154, India
Tel: +91 240 6662222

Wockhardt Limited
87-A, Silver Industrial Estate
Bhimpore, Nani Daman
Daman-396210, India
Tel: +91 260 6610300

Wockhardt Limited
106-4/5/7, Daman Industrial Estate
Kadaiya, Nani Daman
Daman-396210, India
Tel: + 91 260 6633200

Wockhardt Limited
138, GIDC Estate
Ankleshwar-393002
Gujarat, India
Tel: +91 2646 661400

Wockhardt Limited
P.O. Barotiwala, District Solan
Himachal Pradesh-174103, India
Tel: +91 1795 664444

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