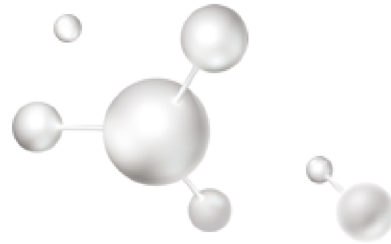
Immunity Wins. Life Wins.

Golden 50 years

WOCKHARDT | LIFE WINS

ANNUAL REPORT 2020-2021

WOCKHARDT | LiFE WiNS



Immunity is a defence mechanism. Biologically, it's a system that is innate, adaptive, and continuously self-developing. It is what protects the body from the destructive and debilitating disruption of diseases and infections and helps it survive and thrive.

The principles of biological immunity can be aptly applied as a metaphor for businesses and corporate organisations. Thus, business immunity can be defined as the protective mechanisms put in place by organisations that characterises their ability to adequately and successfully respond to adverse conditions and situations to maintain business continuity and sustainability.

The COVID-19 pandemic and the resulting disruption, in both, people and businesses, has elevated the importance of immunity exponentially to justifiably assert that when **Immunity Wins, Life Wins.**

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FY 2020-2021: Performance Highlights

Sales US$ 378 million

₹2,762 crore

Profit After Tax ₹686 crore

International Business 83%

Net Debt to Equity Ratio 0.54

CHAIRMAN'S STATEMENT

MY DEAR SHAREOWNERS

The calendar year 2020 and financial year 2020-21 has been traumatic due to the unprecedented disruption caused by the COVID-19 pandemic. Lives and livelihoods were lost, businesses faced losses, routines were broken, and normalcy has come close to extinction.

But amidst all the chaos, a semblance of order is slowly, but surely, emerging. A number of positive developments have taken place that are driving a global change in individual and organisational perspectives, mind-sets, outlooks, behaviours, and endeavours. The use of technology to connect and communicate with each other; the heightened awareness of the need for sanitisation as a routine; the unprecedented speed of development of effective vaccines; the spirit of collaboration and cooperation within the medical community; and the coming together of nations and governments for the common good; all portend great hope for the future of mankind.

While there are many lessons to be learnt from this global upheaval due to COVID-19, one of the most relevant and abiding lesson highlights the need for and importance of building immunity as a proactive measure and not as a reactive response. Applied not only in the context of the pandemic but also to the current business environment characterised by Volatility, Uncertainty, Complexity, and Ambiguity (commonly described as the VUCA world), fortifying immunity will help people and businesses alike, to survive and thrive in the face of any adverse condition or situation in the future.

Thus, the theme for our Annual Report for FY 2020-2021 is appropriately focussed: Immunity Wins. Life wins.

Immunity-Building Performance

I am pleased to announce that our timely and effective measures taken to minimise the effect of the pandemic on our business performance has yielded satisfactory results.

In the financial year under review, FY 2020-21, we posted consolidated revenues of ₹2,762 crore as compared to ₹3,325 crore in FY 2019-20, and our Profit After Tax (PAT) stood at ₹686 crore as compared to ₹(69) crore in the previous year. This includes Profit in connection with the transfer of the business comprising 62 products and line extensions along with related assets and liabilities, contracts, permits, intellectual properties, employees, marketing, sales and distribution of the same in the Domestic Branded Division in India, Nepal, Bhutan, Sri Lanka and Maldives, and the manufacturing facility at Baddi, Himachal Pradesh (together the "Business Undertaking"), to Dr. Reddy's Laboratories Limited ("DRL") which was completed in Q1FY21.

As on March 31, 2021, our Net Debt stood at ₹2,040 crore as compared to ₹2,945 crore as on March 31, 2020. Currently, Net Debt to Equity Ratio is 0.54 as compared to 0.96 as on March 31, 2020. The above stated figures are inclusive of continuing and discontinued operations of Consolidated Financials.

In FY 2020-21, our international business contributed 83% of total revenues with the EU & UK, US, and Emerging Markets businesses accounting for 46%, 16%, and 21% of total revenues respectively. Our India business accounted for 17% of total sales.

Due to the pandemic, in-person audits were cancelled by all regulatory authorities worldwide. I am proud to report that we leveraged technology and built requisite infrastructure to facilitate virtual audits to ensure continuity in regulatory compliance. During the year, we successfully completed several virtual audits for our various facilities. These include WHO GMP, Russian GMP, MHRA GMP, HPRA GMP, ISO 13485, Indian FDA, etc.

One of the most significant developments during the pandemic year and a historic achievement for Wockhardt was the agreement signed with the UK government in August 2020 to fill-finish the Oxford/AstraZeneca COVID-19 vaccine at our Wrexham facility in North Wales, UK. The government has reserved one production line for its exclusive use for 18 months to supply about 350 million doses of the vaccine every year; which was further extended to 24 months. Wockhardt UK had the privilege of hosting the Prime Minister of UK, Mr. Boris Johnson, who visited the facility to oversee the progress made by the fill-finish production line. The Honourable Prime Minister was informed and assured that Wockhardt's global facilities had the capacity to produce over 1 billion doses of the vaccine annually.

Our performance in a year of unprecedented disruption can be described as one of great learning. We have realised the benefits of agility, adaptability, positivity, focus, and innovation in immunising the business against any trials and tribulations. While the pandemic revealed our vulnerabilities, the measures taken to minimise its effect on our business have instilled great confidence in our ability to rise up to any challenge.

Tal Gur, author of 'The Art of Fully Living', said, "Health is not the absence of germs, toxins, or cancer cells. It's how well your body responds to them. Sturdy immunity equals sturdy health." I agree wholeheartedly.

Immunity-Boosting R&D

Research and Development has always been the mainstay of our vision for sustainability and value creation as a research-based global pharmaceutical and biotech company. Our focus on new drug discovery in the antibiotics space has put us in a unique position globally.

While the pandemic has impacted our global studies and trials of the 4 New Chemical Entities (NCEs) with Qualified Infectious Disease Product (QIDP) status from US FDA and being developed as novel antibiotics for global markets, we will be back on track with studies expected to be resumed from FY 2021-22 onwards. You will be pleased to know that 2 NCEs, WCK 771 and WCK 2349, launched in India in May 2020 as EMROK Oral and IV, have received positive reviews amongst the medical fraternity. As it scores over all other existing antibiotics on safety and efficacy parameters, we aim to become the Number 1 prescribed Anti-MRSA and Gram positive agent in all hospitals pan-India in 2021.

We continued to build on our Intellectual Property base with 3,187 cumulative patents filed and 763 cumulative patents granted as on 31 March, 2021. Naturally, we will continue to stay invested in and focussed on innovation. In FY 2020-21, our R&D investment, including capital expenditure, accounted for 9.6% of sales at ₹265 crore. This demonstrates our deep commitment to build a new foundation for Wockhardt in the next few years.

Immunity-Spreading CSR

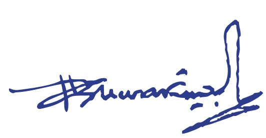
At Wockhardt, we believe that our endeavours as part of our Corporate Social Responsibility initiatives is satisfying as well as very rewarding. We implement them with an empathy, dedication, professionalism, and enthusiasm that is very fulfilling. Like Marianne Williamson, American author, spiritual leader, and peace advocate, says, "Every act of kindness on your part is a boost to your own immune system."

Wockhardt Foundation, along with Wockhardt Hospitals and several other corporate partners, implement a host of social programmes to serve the underprivileged. Besides Mobile 1000, our flagship programme providing free medical services and medicines in remote and rural areas, our other initiatives include e-learning, skill development, potable water, sanitation, etc. This year too, as in the previous several years, Wockhardt Foundation and its associates have managed to touch millions of lives across various social outreach programmes and initiatives.

With the COVID-19 pandemic and the consequent lockdown throwing lives and livelihoods into disarray, Wockhardt Foundation swiftly swung into action and implemented ANAAJ+, a programme to support families living in Mumbai's slums with monthly essentials. Several corporate organisations, students and individuals joined the Foundation's 'Fight Corona' initiative as 'Corona Warriors', and have supported, and are continuing to support, over 5000 disadvantaged families. I am pleased to announce that our contribution has been acknowledged and appreciated with an 'Award of Appreciation' from Bhartiya Vikas Sansthan and a Community Contribution Award from Kotak Life.

I will conclude with an insightful quote on immunity by Jonas Salk, an American virologist who developed one of the first successful polio vaccines, who said, "The mind, in addition to medicine, has powers to turn the immune system around." I believe that it holds true for life as well as business.

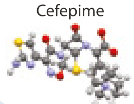
Stay prepared and stay positive!



Dr. Habil Khorakiwala
Founder Chairman

IMMUNITY THROUGH INNOVATION

The highlight of Wockhardt's Research and Development endeavours has been its novel antibiotics programme that has validated the decades of focus on new drug discovery. Of the six New Chemical Entities (NCEs) under development with Qualified Infectious Disease Product (QIDP) status declared by US FDA, two of them (EMROK and EMROK O) have already been approved by DCGI and are being marketed in India with promising results. The other 4 NCEs are in various stages of clinical trials and studies, the progress of which have been affected by the global pandemic.

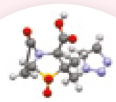
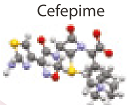

Zidebactam
+
Cefepime


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

Due to worldwide spread of COVID-19 in early 2020, the global Phase 3 study for WCK 5222 could not be initiated as the study sites (hospitals) were not available for clinical studies of new investigational drug trials. This was a major issue faced by all the drugs under clinical development. Now, WCK 5222 Phase 3 study is planned to be initiated in the second half of 2021.


Tazobactam
+
Cefepime


WCK 4282

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

Status

While the global pandemic impacted the start of Phase 3 study for WCK 4282 in Europe and India, leading US and UK experts have recently published in a highly rated peer-reviewed journal, the potential of WCK 4282 as a first line empiric Gram negative therapy superior to Piperacillin-tazobactam. The study is now scheduled to commence in either Q4 2021 or Q1 2022.


Nafithromycin

WCK 4873

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

Status

The COVID-19 situation also impacted the commencement of Phase 3 community-acquired bacterial pneumonia study for WCK 4873 in 2020. The study has now commenced in India from February 2021.


Ertapenem
+
Zidebactam


WCK 6777

It is a first-ever, once-a-day ß-lactam enhancer class antibiotic based on Zidebactam that overcomes an array of problematic bacterial resistance mechanisms such as metallo-ß-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

Phase 1 study in the USA that was scheduled to commence by the end of 2020, has been deferred for now and would be taken up in 2022.

IMMUNITY THROUGH INTELLECTUAL PROPERTY

The evolution of Wockhardt as a research-based global pharmaceutical company is a culmination of our strong conviction and consistent investment in Research and Development as a value creator and growth driver.

A global team of dedicated professionals are leading Wockhardt's R&D efforts across three R&D centres in India, UK and USA. They include research scientists, doctorates, doctors, technicians and other professionals across multiple functions.

Wockhardt's R&D efforts focus on New Chemical Entities (NCEs), Abbreviated New Drug Application (ANDAs), Biosimilars, Novel Drug Delivery System (NDDS) etc. Today, we have built a rich and rewarding Intellectual Property (IP) base with 3,187 cumulative patents filed and 763 cumulative patents granted as on 31 March, 2021.

The global concern over Antimicrobial Resistance (AMR) and the current pandemic situation only serves to reinforce our belief in R&D as the best supplement to build business immunity in times of disruption.

IMMUNITY THROUGH EXCELLENCE

Dr. Murtaza Khorakiwala
Managing Director

The global pandemic and the subsequent disarray it led to, has impacted almost every business the world over. At Wockhardt, early endeavours to ensure business and operations continuity by leveraging technology and ensuring employee safety, has been extremely encouraging.

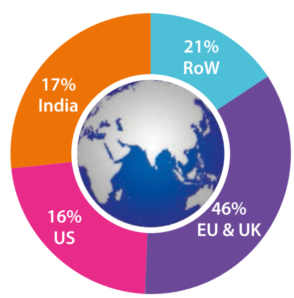
The establishment of a Quick Response Team and deployment of mitigating measures like staggered office timings; technology-enabled screening and self-assessment tools at manufacturing facilities; enabling connectivity for Work From Home (WFH); leveraging IT to conduct virtual meetings and training sessions; digitising sales, marketing, communication and order-booking processes, etc. ensured Wockhardt's seamless transition to a virtual workspace.

Enabled, empowered, and supported by the management and leadership, Team Wockhardt has risen to the challenges of a new global paradigm of work and is committed to strengthen and build Wockhardt's business immunity under any adverse conditions in the future.

SALES REVENUE

83%

From International Business



OUR EUROPEAN EDGE

Amongst Top 3 Indian generic companies in the UK

6th Largest generic supplier in Ireland in Retail and Hospital channels

OUR INDIA VALUE

Wepox is the leader in Erythropoetin market with a market share of 21.5%, and ranked 258 amongst Top 300 brands in the Indian Pharma Market

Methycobal is the leader in Methycobalamine market with a market share of 27.3%

Source: IQVIA MAT - March 2021 Data

OVER 74 MILLION TIMES LIVES TOUCHED IN FY 2020-21

Mobile 1000
210 Vans Till Date (28.04 Lakh Patients Checked in FY 2020-21)

Pronto Bio-Toilet
451 Pronto Bio-Toilets Till Date

E-Learning
404 Schools Till Date

Wockhardt Skills Development Institute
10 Centres (400 Students Trained; 540 Students Assessed and Certified)

Pronto Toilet
4,704 Toilets Till Date

Zab (Desk + School Bag)
410 School Bags Distributed in FY 2020-21 (13,480 Bags Till Date)

ANAAJ +
5034 Grocery Kits Distributed
25,170 People Benefitted

IMMUNITY THROUGH COMMUNITY SERVICE

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

Wockhardt Foundation has always endeavoured to immunise underprivileged communities from the adverse effects arising from a lack of access to healthcare and medical supplies; skills and livelihoods; sanitation and potable water; education and training; etc.

In tandem with Wockhardt Hospitals and numerous other corporate partners and individual volunteers, Wockhardt spearheads and implements a host of initiatives and programmes governed by the simple philosophy that "every smile counts".

The pandemic wave of last year and the lockdown implemented across geographies led to a great upheaval in the lives and livelihoods of a large section of our population. Wockhardt Foundation initiated the Anaaj+ programme as part of its 'Fight Corona' mission, and has distributed essential groceries such as rice, dal, wheat flour, sugar, oil, tea etc. to the underprivileged living in the slum areas of Mumbai and Thane.

The current surge or 'second wave' of rising infections in India is assuming alarming proportions and Wockhardt Foundation will continue to do its bit in trying to immunise communities around it from the resulting deprivation, despair, and hopelessness that the continuing pandemic is causing.

It is important and essential for every individual and society as a whole to build immunity against negative emotions and face challenges by having hope, faith, and acting towards the common good. Like Frederick Lenz, American author and spiritual teacher, says, "The most powerful force to maintaining a good immune system is the power of positive thinking and not allowing yourself to be unnecessarily drained emotionally by worries and fears."

WOCKHARDT FOUNDATION PROGRAMME EXECUTION POLICY

IMMUNITY THROUGH HEALTHCARE

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

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, Orthopaedics and Chronic Wound Healing.

The unprecedented times brought on by the COVID-19 pandemic required extraordinary action, and Wockhardt Hospitals stepped up to meet the challenge. Till the end of FY 2020-21, Wockhardt Hospitals treated close to 10,000 COVID-19 patients with a low mortality rate close to 5.8%, compared to an approximately 17% mortality rate globally, as indicated by studies. All of our hospitals, namely The New Age Wockhardt Hospital, Mumbai Central; Wockhardt Super Speciality Hospital, Mira Road; Wockhardt Super Speciality Hospital, Nagpur; N M Virani Wockhardt Hospital, Rajkot; and Wockhardt Super Speciality Hospital, Nashik; have emerged as COVID-19 hospitals with requisite infrastructure and special isolation wards and ICUs. Wockhardt Hospitals is in fact a pioneer in ensuring that clinical teams of these hospitals are empowered with essential training, knowledge and SOPs to effectively deal with this crisis. As a testament to Wockhardt Hospitals' path-breaking work, Dr. Kedar Toraskar, Director of Critical Care, at the New Age Wockhardt Hospital, Mumbai Central, is part of the ten-member Maharashtra COVID-19 Task Force set up by the state government to closely monitor and suggest treatment regimens for the most critically ill COVID-19 patients.

While supporting the nation steer through this pandemic, Wockhardt Hospitals has not shied away from looking after its non-COVID patients. Our highly knowledgeable and experienced infection control team has done an outstanding job in segregating COVID and non-COVID patients and treatment facilities, instilling confidence in the community. Wockhardt Hospitals is at the forefront of the COVID-19 vaccination drive in the country, and has vaccinated close to 70,000 people.

As this global public health crisis continues to reshape all aspects of our lives, our priorities remain clear. We are focused on the health and safety of our frontline healthcare workers, their loved ones and the local communities that we serve.

163,762*
CARDIAC PROCEDURES
Angiographies, Angioplasties, Bypass, Open heart and Cardiac valve surgeries on adult and paediatric patients

28,055*
ORTHOPAEDIC PROCEDURES
Knee and hip replacements, Poly-trauma surgeries, Complex fracture surgeries...

274,092*
SURGICAL PROCEDURES
Organ transplants, Complex brain surgeries, Endoscopic spine surgeries...

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

BOARD OF DIRECTORS

Dr. HABIL KHORAKIWALA
Founder Chairman

Dr. Habil Khorakiwala founded Wockhardt in 1967. Today, the Wockhardt Group is India's leading research-based global healthcare enterprise with relevance in the fields of Pharmaceuticals, Biotechnology, Active Pharmaceutical Ingredients (APIs), and Super Speciality Hospitals. An alumnus of Purdue University and Harvard Business School, he was the first non-American to be conferred with an Honorary Doctorate in 125 years by Purdue University (Pharmacy School) in 2010.

A member of the World Economic Forum, Dr. Khorakiwala has held many senior positions as an industry representative, and has been lauded and awarded by various institutions and organisations.

As a former President of FICCI (Federation of Indian Chambers of Commerce and Industry), he has met and shared India's business and economic dynamics with many Presidents, Prime Ministers and Heads-of-State. He has also served as the President of IPA (Indian Pharmaceutical Alliance); as the Chairman of the Board of Governors at the Centre for Organisation Development in Hyderabad, a non-profit, scientific and industrial research organisation and a recognised doctoral research centre; and as the Chancellor of Jamia Hamdard University, New Delhi, which has emerged as an outstanding institution of higher learning with distinct and focused academic programmes.

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

Mr. AMAN MEHTA
Independent Director

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

Mr. D S BRAR
Independent Director

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

Mr. Brar has been associated with the pharmaceutical industry for over four decades and his major stint was at Ranbaxy Laboratories, where he rose to become the CEO and Managing Director in the year 1999. Mr. Brar stepped down from this position in 2004 to start his entrepreneurial journey and founded GVK Biosciences Pvt. Ltd., a leading Contract Research and Development Organisation, and later, Excelra Knowledge Solutions Pvt. Ltd., an Informatics/Analytics Company. He is currently the Chairman of both of these Companies. Mr. Brar has also served as a Director of RBI: member on the Board of National Institute of Pharmaceutical Education and 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. She has also written and edited several books.

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

Mr. VINESH KUMAR JAIRATH
Independent Director

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

Mr. AKHILESH GUPTA
Independent Director

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

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

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

Mrs. RIMA MARPHATIA
Nominee Director

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

Dr. HUZAIFA KHORAKIWALA
Executive Director

Dr. Huzaifa Khorakiwala holds a Master's degree in Business Management from Yale University School of Management, USA. He joined the Company in July 1996 and has, over the years, led various Wockhardt businesses. He has been the Executive Director of the Company since April 2009.

He also serves as Trustee and CEO of Wockhardt Foundation, whose flagship programme, Mobile 1000, runs Mobile Medical Units delivering free primary healthcare to rural and remote India. He is the Founder of The World Peacekeepers Movement, an online movement of over 2 million peacekeepers.

Dr. Huzaifa is a recipient of 13 honorary doctorates and many other prestigious awards and titles including a Knighthood, which was bestowed on him by the Ecumenical, Medical, Humanitarian Order of Knights of St. John of Jerusalem (Knights of Charity).

Dr. MURTAZA KHORAKIWALA
Managing Director

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

Thinking out of the box, challenging assumptions, and innovation are some of the key principles that shape his strategic thought process. His young and dynamic leadership has become the ideal springboard for various corporate initiatives in creating a new Wockhardt. A member of the executive committee of the Indian Pharmaceutical Association (IPA), he was the past Chairman of the Marketing Committee of the Bombay Management Association. In 2018, Dr. Murtaza was elected as President of the Bombay Management Association (BMA). He is currently serving as President of ICC India, International Chamber of Commerce, for the year 2020-21.

Ms. ZAHABIYA KHORAKIWALA
Non-Executive Director

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

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

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

BOARD'S REPORT

Dear Members,

The Board of Directors are delighted to present the Twenty Second Annual Report of the Company along with the Audited Financial Statements for the year ended 31st March, 2021.

FINANCIAL RESULTS AND HIGHLIGHTS

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Consolidated		
Continuing Operations		
Total Revenue from Continuing Operations	**2,841**	2,883
Profit before Depreciation, Finance Cost & Tax from Continuing Operations	**69**	158
Profit/(Loss) before Tax from Continuing Operations	**(568)**	(342)
Tax expense – Credit/(charge) of Continuing Operations	**272**	204
Profit/(Loss) after Tax before Other Comprehensive Income from Continuing Operations	**(296)**	(138)
Discontinued Operations		
Profit/(Loss) from Discontinued Operation before Tax	**1484**	145
Tax expense of Discontinued Operations – (charge)/credit	**(499)**	(50)
Profit/(Loss) from Discontinued Operations	**985**	95
Profit/(Loss) for the year	**689**	(43)
Total Comprehensive Income	**685**	57
Standalone		
Continuing Operations		
Total Revenue from Continuing Operations	**1028**	933
Profit before Depreciation, Finance Cost & Tax from Continuing Operations	**(97)**	(90)
Profit/(Loss) before Tax from Continuing Operations	**(624)**	(484)
Tax expense – Credit/(charge) of Continuing Operations	**232**	158
Profit/(Loss) after Tax before Other Comprehensive Income from Continuing Operations	**(392)**	(326)
Discontinued Operations		
Profit/(Loss) from Discontinued Operations before Tax	**1484**	145
Tax expense of Discontinued Operations - (charge)/credit	**(499)**	(50)
Profit/(Loss) from Discontinued Operations	**985**	95
Profit/(Loss) for the year	**593**	(231)
Total Comprehensive Income	**593**	(227)

The consolidated total revenue of the Company for the financial year ended 31st March, 2021 stood at ₹ 2,894 crore as compared to ₹ 3,364 crore of previous year. Earnings before interest, tax, depreciation and amortization (EBITDA), for the year ended 31st March, 2021, are ₹ (47) crore vis-à-vis ₹ 245 crore during previous year. The Total Comprehensive Income for the year stood at ₹ 685 crore vis-à-vis Total Comprehensive Income of ₹ 57 crore of previous year. The above figures include Discontinued Operations figures.

On Standalone basis, the Company registered total revenue of ₹ 1,028 crore from Continuing Operations as compared to ₹ 933 crore during previous year and ₹ 54 crore from Discontinued operations as compared to ₹ 481 crore during previous year. Total Comprehensive Income for the year stood at ₹ 593 crore vis-à-vis ₹ (227) crore of previous year.

STATE OF COMPANY'S AFFAIRS

Financial year 2020-21 has seen some major developments for your Company.

Wockhardt in FY 21 became 1st Indian Pharmaceutical Company to launch a New Chemical Entity (NCE) in India in the Anti-Infective space

During the year, your Company launched 2 new antibiotics, EMROK (IV) and EMROK O (Oral), for acute bacterial skin and skin structure Infections including diabetic foot infections and concurrent bacteraemia. Earlier in January 2020, Indian Drug Controller, DCGI approved the same 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).

Antimicrobial Resistance (AMR) is a major public health problem globally. India carries one of the largest burdens of drug-resistant pathogens worldwide. Infections caused by drug-resistant organisms could lead to increased mortality and prolonged duration of hospitalization, causing a huge financial burden to the affected persons, health-care systems, and hinder the goals of sustainable development. Two million deaths are projected to occur in India due to AMR by the year 2050. World Health Organisation (WHO) in 2017 has listed Methicillin resistant S. aureus (MRSA) as a 'high' priority pathogen due to high prevalence of resistance, mortality rate, and burden on community & health care settings. In 2018, a national study conducted by the Indian council of Medical research (ICMR) and Anti-microbial resistant surveillance network (AMRSN) group highlighted the high prevalence of 38.6% of MRSA in India. A recent Indian study reports that 1 in 6 patients infected with multidrug resistant Gram positive infections die in intensive care units.

The size of Indian Antibiotic market is approx. ₹ 16,000 Crore, growing at 7% and is one of the largest therapeutic segment, with a 12% market share of the Indian Pharmaceutical Market.

Covid-19 Vaccine Manufacturing in CP Pahrmaceuticals, United Kingdom, a step down subsidiary of the Company

In a major development during the year, the Company in Q2 announced agreement with the UK Government to fill finish COVID-19 vaccines. The manufacturing was undertaken at CP Pharmaceuticals, a subsidiary of Wockhardt based in Wrexham, North Wales. As per the terms of the agreement the company has reserved manufacturing capacity to allow for the supply of multiple vaccines to the UK Government in its fight against COVID19, including AZD1222, the vaccine co-invented by the University of Oxford and licensed by AstraZeneca. In November 2020 Prime Minister of United Kingdom, Mr. Boris Johnson visited the manufacturing facility.

This agreement was subsequently expanded from 18 to 24 months i.e until August 2022.

Your Company has also been exploring opportunities to tie up with various vaccine developers for manufacturing and/or providing fill-finish facilities for Covid 19 dosages.

Part Divestment of India Domestic Branded Business

During the year, your Company transferred the business comprising 62 products and line extensions along with related assets and liabilities, contracts, permits, intellectual properties, employees, marketing, sales and distribution of the same in the Domestic Branded Division in India, Nepal, Bhutan, Sri Lanka and Maldives, and the manufacturing facility at Baddi, Himachal Pradesh, where some of the products which are being transferred were manufactured (together the "Business Undertaking"), to Dr. Reddy's Laboratories Limited ("DRL") for a consideration of ₹ 1,850 crore, subject to adjustments specified in the Business Transfer Agreement (BTA) dated 12th February 2020.

In the aftermath of the COVID-19 pandemic, government restrictions, and recognising consequent reduction in the revenue from the sales of the Products forming part of the aforesaid BTA during March & April, 2020 your Company decided to allow flexibility to assess the impact of the COVID-19 pandemic on the valuation of the Business Undertaking, and the Company and DRL have executed an amendment agreement in terms of which the agreed consideration of ₹ 1,850 crore to be paid as per following:

a) an amount equal to ₹ 1,550 crore to be paid on the Closing Date under the BTA which has been paid by DRL to the Company on June 09, 2020;

b) an amount equal to ₹ 67 crore which has been deposited by DRL in an escrow account, which shall be released subject to adjustments for, inter alia, Net working capital, employee liabilities and certain other contractual and statutory liabilities); - Out of which ₹ 4 crore is pending as on date.

c) an amount equal to ₹ 300 crore ("Holdback Amount"), which shall be held back by DRL on the Closing Date for assessment of the impact of the COVID-19 pandemic on the Business Undertaking, and shall be released as follows: If the revenue from sales of the products forming part of the Business Undertaking by DRL during the 12 months post-closing exceeds ₹ 480 crore, DRL will be required to pay to the Company, from out of the Holdback Amount, an amount equal to 2 (two) times the amount by which the revenue exceeds ₹ 480 crore.

Due to the restrictions on movement into and within the state of Himachal Pradesh on account of the Covid-19 Pandemic, the approval of the Government of Himachal Pradesh for the transfer of the land underlying the manufacturing facility at Baddi, Himachal Pradesh ("Baddi Facility"), as required under the Himachal Pradesh Tenancy and Land Reforms Act, 1972, is pending as of date. Accordingly, the Company and DRL have agreed that the Baddi Facility, shall only be transferred once the approval of the Government of Himachal Pradesh is received and in the meanwhile, the Company and DRL will enter into interim arrangements for management of the Baddi Facility by DRL.

Divestment of French Business:

During the year, Wockhardt France (Holdings) S.A.S. (WFH), a Step down Subsidiary of the Company divested the Marketing Authorisations (MAH) of the products along with their Trademarks (collectively known as 'Business Assets') for a consideration of Euro 11 Million.

WFH had business/marketable assets in the form of pharmaceutical marketing authorizations (MAH) of the branded generic products that has seen significant competition and price erosion over the years as a generic business. Considering soaring competition in the generic market and limited scope for further growth or to introduce new products in the market it was prudent to divest Business Assets.

WFH received price consideration on 18th December 2020 and outstanding loan in the Business was repaid in full.

Key milestone achieved in Breakthrough Anti-infective NCEs (WCK 6777)

In Q1, your company received the Qualified Infectious Disease Product[1] ('QIDP') designation for WCK 6777 from the United States Food and Drug Administration ('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.

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 QIDP designation from the US FDA, Wockhardt became the only Company in the world to hold QIDP Status for six antibiotics. Three of them are targeting Gram Negative pathogens and the other three are effective against Gram positive difficult-to-treat "Superbugs". R&D endeavours in the pharmaceutical business not only have long gestation period but demands heavy investments; and your Company, year-on-year, continues to invest substantial part of topline on R&D. During the year, R&D expenses stood at ₹ 172 crore (6.23% of consolidated revenue) vis-à-vis. ₹ 208 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 22 patent applications and 41 patents were granted during the year. Accordingly, the Company as on 31st March, 2021, cumulatively filed 3,187 patents and holds 763 patents worldwide.

During the year, under review the following key events had taken place:

- Russian GMP audit was carried out at Biotech H14/2 OSD, API and Formulation (Injectable) Facilities.
- State FDA and WHO (GMP) audit was carried out at Bhimpore Daman and Biotech API Facilities.
- BPOM, Indonesia audit (virtual audit) was carried out at Biotech Formulation (Injectable) Facility.

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

- State FDA and WHO (GMP) approval for Bhimpore, Daman facility.
- PMDA-Japan approval for Ankleshwar facility.

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[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.

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 III global study protocol finalized in consultation with US FDA, EMA and Chinese FDA (NMPA). The study is estimated to commence in September, 2021.

WCK 4282: Protocol for Global Phase III study has been discussed and approved by FDA and EMA. Chinese NMPA has agreed with the Clinical development plan and clinical study protocol . The study is being planned in 1000 patients globally and it is estimated to commence in December, 2021.

WCK 4873: Biotechnology Industry Research Assistance Council (BIRAC) grant for India Phase III study approved and first milestone received. The study enrolment commenced in February, 2021.

WCK 771 & WCK 2349: Both WCK 771 (IV), the brand name EMROK and WCK 2349 (Oral), brand name EMROK O were launched in June, 2020. Both the products have been well received by the intensivists and senior infectious disease specialists. Both the products are available across the country in all the major hospitals

WCK 6777: Successful submission of WCK 6777 US IND application and received QIDP designation from US FDA. Phase I studies scheduled to commence in 2022 in USA.

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

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

COVID 19 PANDEMIC IMPACT & RESPONSE

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 events of human history and believed to have deep and cascading impact across the entire economic chain. Another significant disruption was in the area of Global supply chain wherein China is the key link and was being heavily impacted by the Pandemic.

The second half of the year showcased the resilience of the Pharmaceutical Industry with significant outcome of efforts on vaccine development with multiple vaccine approvals. The launch of vaccination in some countries in End 2020 raised hopes of an eventual end to the pandemic. Moreover, economic data released after the October 2020 World Economic Organisation (WEO) forecast suggest stronger-than-projected momentum on average across regions in the second half of 2021.

Your Company had undertaken proactive steps from the inception of the pandemic across all facets of business operations & safety of its people. Anticipating the onset of major crisis in time to come and in the best interest of all the internal stakeholders in focus, your Company quickly took decision to enable work from home (WFH) for its associates, as early as third week of March 2020.

The Corporate IT Team quickly swung into action leveraging technology to enable WFH. Timely training sessions on remote connectivity were held in parallel before WFH rollout; access to laptop devices, connectivity to SAP, Email and GXP applications, access to various user folders were enabled. Collaborative tools like Zoom and MS Teams for making the collaboration more effective and productive while working from home were introduced. Post roll out, a dedicated IT Help Desk was created to cater to the WFH needs of associates.

Security standards were verified through third party audit. Covid Health assessment app was rolled out to assess the health of the associates. To strengthen the system, security face recognition and a contactless, IR-Based wrist temperature monitoring solution was evaluated and implemented at all manufacturing locations, R&D centre and Corporate office.

CREDIT RATING

During the year 2020-21, CARE Ratings Limited ('CARE Ratings') has revised the Company's ratings for Long-Term Bank Facilities (Fund Based) as "CARE BBB-; Stable" from "CARE BB+; Under credit watch with positive implications"; and for Short Term Bank Facilities (Non Fund Based) as "CARE A3" from "CARE A4+; Under credit watch with positive implications".

CARE Ratings has also assigned a rating for the Company's Non-Convertible Debentures issue aggregating to ₹ 200 crore as "CARE BBB-; Stable".

Further, India Rating & Research Private Limited has also revised the Company's ratings for Long-Term Loan Facilities to "IND BBB-/Stable" from "IND BB+/ RWE (Rating Watch Evolving)" and for Short-Term Loan Facilities to "IND A3" from "IND A4+/RWE (Rating Watch Evolving)".

DIVIDEND AND RESERVES

The Board of Directors of your Company do not recommend any dividend on the equity shares of the Company for the year ended 31st March, 2021; 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 46,150 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 ₹ 55,36,75,015 to ₹ 55,39,05,765 during the year under review.

During the year under review, the Company redeemed 160,000,000 0.01% Non-Convertible Cumulative Redeemable Preference Shares ('NCRPS Series 5') of Face value of ₹ 5 each and 500,000,000 4% Non-Convertible Non-Cumulative Redeemable Preference Shares ('NCCRPS') of Face value of ₹ 5 each along with the accumulated dividend and redemption premium, if any on 19th October, 2020 on predetermined terms and conditions as decided earlier at the time of issuance/extension of said Preference Shares, before the extended due date of the redemption as per the agreed terms of issuance/extension of the said Preference Shares.

There were no issue of equity shares with differential voting rights and sweat equity shares during the year 2020-21. The Company does not have any scheme to fund its employees to purchase the shares of the Company. Further, no shares have been issued to employees of the Company except under the Scheme mentioned above.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Akhilesh Gupta (DIN: 00359325) was appointed as an Additional Director (Non-Executive, Independent) with effect from 29th August, 2020. The resolution for his appointment as a Non-Executive, Independent Director for a term upto 28th August, 2025 is placed for the approval of Members of the Company at the ensuring Annual General Meeting.

In terms of the provision of:

- Section 149 and other applicable provisions of the Act and SEBI Listing Regulations, Mr. Vinesh Kumar Jairath (DIN: 00391684), Independent Director of the Company, holds office upto 9th November, 2021 and being eligible, offers himself for re-appointment. Considering the performance evaluation, the resolution for his re-appointment as recommended by the Nomination & Remuneration Committee and the Board for another term upto 9th November, 2026, as Independent Directors, is placed for the approval of Members of the Company at the ensuring AGM.
- Section 152 of the Act, Dr. Huzaifa Khorakiwala (DIN: 02191870), Executive Director retires by rotation as Director at the ensuing AGM and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

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 Directors 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 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. Gajanand Sahu, Company Secretary & Compliance Officer are the Key Managerial Personnel ('KMP') of your Company.

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.

The term of Mr. Baldev Raj Arora (DIN: 00194168) as an Independent Director was upto 27th May, 2020. Considering his age, Mr. Arora decided not to seek re-appointment for 2nd term as an Independent Director of the Company. Mr. Arora has made contribution for the sustainable growth and success of the Company.

MEETINGS

During the financial year 2020-21, 6 (six) meetings of the Board of Directors and 4 (four) meetings of the Audit Committee were held. Details of these meetings and other Committees of the Board/General Meeting are given in the Report on Corporate Governance forming part of this Annual Report.

AUDIT COMMITTEE

As on 31st March, 2021, the Audit Committee comprises of Mr. Aman Mehta as Chairman; and Mr. Davinder Singh Brar, Dr. Sanjaya Baru, Mrs. Tasneem Mehta, Mr. Vinesh Kumar Jairath and Mr. Akhilesh Gupta as its Members.

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

Mr. Akhilesh Gupta was inducted as a member of the Audit Committee w.e.f. 29th August, 2020.

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, 2021, 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, 2021 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, 2021;

(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, 2021 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

M/s. B S R & Co. LLP, Chartered Accountants, were appointed as the Statutory Auditors of the Company at the Annual General Meeting ('AGM') of the Company held on 14th August, 2019, for a term of five years i.e. till the conclusion of ensuing 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 2021-22. 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, 2022 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, 2020 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, 2021. 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, copy of the annual return is available at www.wockhardt.com.

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, 2021 are annexed as Annexure II to this Report.

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, 'CSR Policy' as recommended by the CSR Committee and approved by the Board is uploaded on the website of the Company www.wockhardt.com.

The average Net Profit of the Company for the immediately preceding 3 financial years calculated as per Section 198 of the Companies Act, 2013 was negative. Hence, no amount was required to be spent on CSR activities during the financial year 2020-21. However, considering the pandemic situation and as a continuing corporate governance practice, the Company contributed ₹ 2.12 crore to Wockhardt Foundation, the CSR arm of the Company, for spending on CSR activities in the areas of healthcare, education etc.

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

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS

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

The appointment of Directors 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, 2021, Risk Management Committee comprises of Dr. H. F. Khorakiwala as Chairman; and Mr. Davinder Singh Brar, Independent Director, Dr. Murtaza Khorakiwala, Managing Director and Mr. Manas Datta, Chief Financial Officer as its members. During the year under review, the Risk Management Committee met for 2 (two) times and the details of these meetings are given in the Report on Corporate Governance forming part of this Annual Report.

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

Strategic Risks comprises of risks inherent to Pharmaceutical Industry and competitiveness, Company's choices of target markets, business models and talent base. Your Company periodically assesses risks in new initiatives, the impact of strategy on financial performance, competitive landscape, growth models and attracting and retaining talented workforce.

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

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 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

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

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

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 36 and Note 6 in the Notes to the Financial Statements.

PARTICULARS OF CONTRACTS/ ARRANGEMENTS WITH RELATED PARTIES

During the financial year 2020-21, 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 43 in the Notes to the Financial Statements.

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

VIGIL MECHANISM

Pursuant to the requirements laid down under Section 177 of the Companies Act, 2013 and Regulation 22 of the SEBI Listing Regulations, the Company has well laid down Vigil Mechanism. The details of the same are provided in the Report on Corporate Governance forming part of this Annual Report. During the year, the Company did not receive any complaint under Vigil mechanism.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

In accordance with the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules, which includes the name of top 10 employees in 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 VI to this Report.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANY

As on 31st March, 2021, 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 VII to this Report.

CONSOLIDATED FINANCIAL STATEMENT

The Consolidated Financial Statement of your Company for the financial year 2020-21 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, 2021.

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

The Company strongly believes in providing a safe and harassment free workplace for each and every individual working for the Company through various interventions and practices. It is the continuous endeavor of the Management of the Company to create and provide an environment to all its Associates that is free from sexual harassment. Pursuant to the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("Act"), the Company has constituted Internal Committees (IC) across all the locations which are responsible for redressal of complaints related to sexual harassment at respective locations. The Company arranged various interactive awareness workshops in this regard for the Associates at all the manufacturing sites & Corporate Office during the year under review. During the year 2020-21, 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:

a) 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.

b) 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 wish to place on records their 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 : 27th May, 2021

MANAGEMENT DISCUSSION & ANALYSIS

COVID-19 and the Global Economy

On 11th March, 2020, the World Health Organization (WHO) declared COVID-19 as a pandemic and public health crisis that quickly spiralled into a tragic situation that catastrophically disrupted countries, economies, industries, and financial markets around the world. The infection and disease mitigation measures that were adopted and implemented in many countries have resulted in decreased incomes; increased unemployment; and a slowdown, or even shutting down of transportation, services, and manufacturing activities across sectors. The IMF estimates that the global economy shrunk by 4.4% in 2020, and describes the decline as the worst since the Great Depression of the 1930s. Clearly, most governments in the world underestimated the rapid spread of the coronavirus and were largely reactive in their crisis response.

COVID-19 and the Indian Economy

The economic impact of the COVID-19 pandemic in India has been largely disruptive. India's growth in the fourth quarter of the fiscal year 2020 went down to 3.1% according to the Ministry of Statistics. The World Bank and other rating agencies had initially revised India's growth for FY2021 with the lowest figures India has seen in three decades since India's economic liberalisation in the 1990s. In May 2020, CRISIL announced that this will perhaps be India's worst recession since independence. In September 2020, the Ministry of Statistics released the GDP figures for Q1 (April to June) FY21, which showed a contraction of 24% as compared to the same period the year before.

THE ROAD TO RECOVERY

The huge and sustained vaccination drive; phased lifting of the lock-down; and the financial stimulus measures announced by the government have paved the way for an economic recovery and resurgence to pre-COVID levels. The Economic Survey of India for 2021, tabled during the Budget Session of the Parliament on 31st January, 2020, stated that "starting July 2020, a resilient V-shaped recovery is underway". This conclusion was based on indicators such as E-Way Bills, GST revenue statistics, commercial paper, steel demand and recovery in GDP growth. It further stated that, "the 'V-shaped' recovery being seen in the domestic economy is being supported by the 'mega' COVID-19 vaccination drive in the country." "Together, prospects for robust growth in consumption and investment have been rekindled, with estimated real GDP growth for FY2021-22 pegged at 11 per cent," the survey noted.

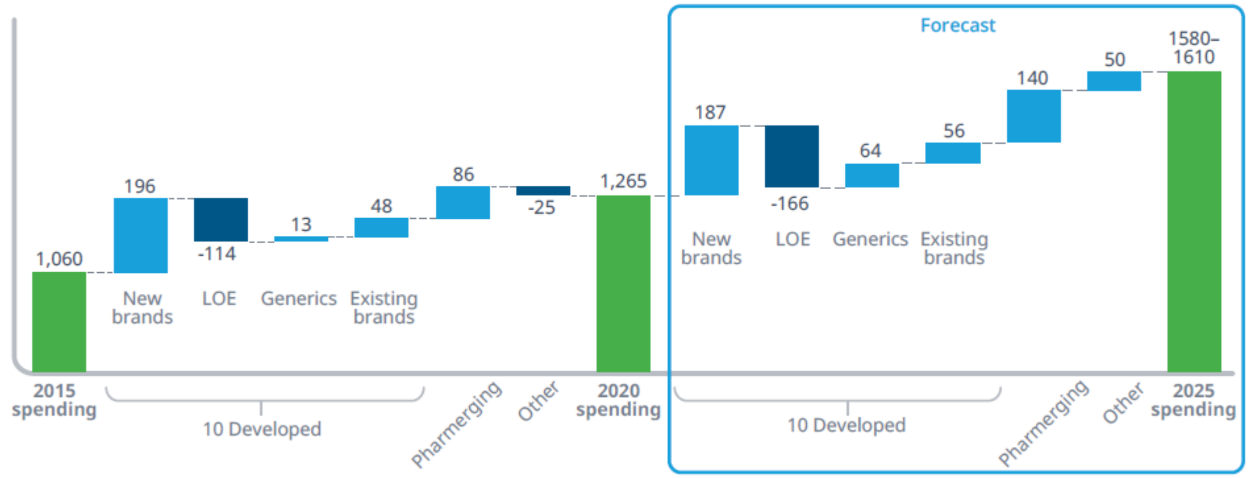
GLOBAL USE OF MEDICINES AND PROJECTED TRENDS

The global spend on medicines for the year 2020 stood at ~USD 1.3 Tn with a 5-year CAGR (Compounded Annual Growth Rate) of 4.6%. However all countries are expected to have a significantly low growth rate through 2025 as shown in the table below. Growth in Global Medicine Spending will be lifted by stronger pharmerging market growth through 2025 and offset by developed market losses of exclusivity (LOE) for original brands. New Brand Spending in developed markets is projected to be similar to the last five years, but represents a smaller share of spending. Global New Active Substances (NAS) launches are projected at an average of 54–63 per year, totalling 290–315 for five years through 2025. The impact of exclusivity losses will increase to USD 166 billion over the next 5 years, mostly due to the availability of biosimilars. Global savings from biosimilars will have a significant impact on country medicine spending through 2025, estimated at a cumulative $285 billion below estimates of spending without biosimilars. Generic spending growth contribution is typically muted as volume increases are offset by price deflation, but the influx and maturation of biosimilars, particularly in the U.S., is expected to result in higher absolute growth. Specialty medicines will represent nearly half of global spending in 2025 and almost 60% of total spending in developed markets.

	Spending in USD Bn			
	2020	**2016-2020 CAGR**	**2025**	**2021-2025 CAGR**
Global	**1265.2**	**4.6%**	**1580-1610**	**3-6%**
Developed	**959.5**	**3.8%**	**1130-1160**	**1.5-4.5%**
US	527.8	4.2%	605-635	2-5%
Japan	88.2	-0.2%	75-95	(2)-1%
EU5	180.4	4.4%	215-245	2-5%
o/w UK	30.2	5.3%	38-42	2.5-5.5%
Pharmerging	**290.8**	**7.4%**	**415-445**	**7-10%**
China	134.4	4.9%	170-200	4.5-7.5%
Brazil	28.7	10.7%	43-47	7.5-10.5%
Russia	17.5	10.8%	33-37	11-14%
India	21.1	9.5%	28-32	7.5-10.5%
Low Income	**15**	**3.9%**	**18-22**	**3-6%**

Source: IQVIA Market Prognosis, Sep 2019; IQVIA Institute, Dec 2019

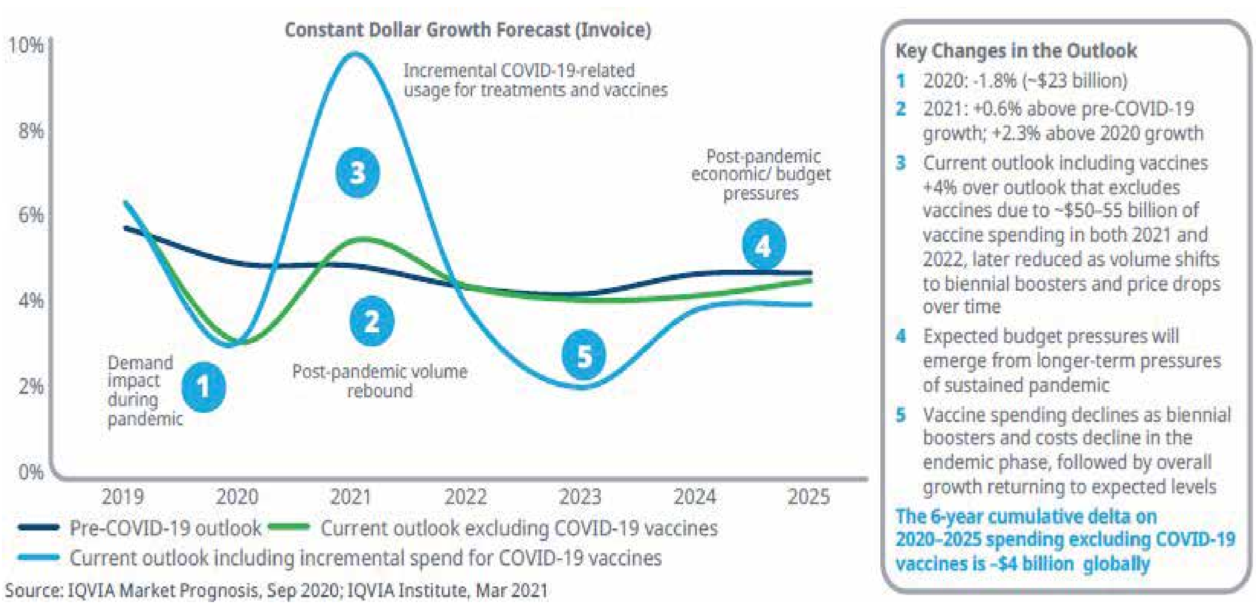
Spending and Growth Drivers 2015-2025 Const US$ BN



Source: IQVIA Institute, Feb 2021; IQVIA Market Prognosis, Sep 2020

IMPACT OF COVID-19 ON USE OF MEDICINES

While the short-term impact from COVID-19 in 2020 and 2021 has been significant, the long-term impact on growth trends is more muted. Perhaps the largest uncertainty in the next five years will be the potential impact of economic factors on countries' budgeting and whether there will be shifts in policies regarding healthcare and medicine spending.



Company Performance

(In the below Management Discussion and Analysis, figures, ratios and percentages are inclusive of continuing and discontinued operations of consolidated financials.)

With the tightening of monetary conditions across the globe and amidst industry and business slowdown driven by the pandemic, 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 organisation.

Your Company started the year with a focus on aligning operations with the long-term goals and its vision statement. Some of them were to bring back liquidity to drive robust growth; de-leveraging the balance sheet to achieve operational efficiency; ensuring reasonable flow of working capital into the business; and gradually shifting away from acute therapeutic areas to strengthen chronic therapy presence in its portfolio mix; and strengthening overall NCE bucket. Amidst one of the most turbulent scenarios on the economic and social front triggered by the Corona pandemic, which had its deep rooted effects on almost every front without exceptions, your Company stood steady and delivered on its key priorities, thus paving the way for long-term sustainability.

COVID Vaccine Manufacturing in the United Kingdom

In a major development during Q2 of this fiscal year, your Company announced an agreement with the UK Government to fill-finish COVID-19 vaccines at CP Pharmaceuticals, a subsidiary of Wockhardt, based in Wrexham, North Wales. As per the terms of the agreement, the Company has reserved manufacturing capacity to allow for the supply of multiple vaccines to the UK Government in its fight against COVID-19, including AZD1222, the vaccine co-invented by the University of Oxford and licensed by AstraZeneca. This agreement was subsequently expanded from 18 to 24 months i.e. until August 2022. In November 2020, Prime Minister of the United Kingdom, Mr. Boris Johnson, visited the manufacturing facility.

Divestment of Part of India Domestic Branded Business

During the year, your Company transferred part of the business comprising 62 products and line extensions; along with related assets and liabilities, contracts, permits, intellectual properties, employees, marketing, and sales and distribution of the same in the Domestic Branded Division; in India, Nepal, Bhutan, Sri Lanka and Maldives; and the manufacturing facility at Baddi, Himachal Pradesh, where some of the products which are being transferred were manufactured (together the "Business Undertaking"); to Dr. Reddy's Laboratories Limited ("DRL") for a consideration of INR 1,850 crore, subject to adjustments specified in the Business Transfer Agreement (BTA) dated 12th February, 2020.

In the aftermath of the COVID-19 pandemic, government restrictions, and recognising consequent reduction in the revenue from the sales of the Products forming part of the aforesaid BTA during March and April, 2020, your Company decided to allow flexibility to assess the impact of the COVID-19 pandemic on the valuation of the Business Undertaking, and the Company and DRL have executed an amendment agreement in terms of which the agreed consideration of INR 1,850 crore is to be paid as per following:

a) an amount equal to INR 1,550 crore to be paid on the Closing Date under the BTA which has been paid by DRL to the Company on June 09, 2020;

b) an amount equal to INR 67 crore which has been deposited by the Purchaser in an escrow account, which shall be released subject to adjustments for, inter alia, net working capital, employee liabilities, and certain other contractual and statutory liabilities; - out of which INR 4 crore is pending as on date.

c) an amount equal to INR 300 crore ("Holdback Amount"), which shall be held back by DRL on the Closing Date for assessment of the impact of the COVID-19 pandemic on the Business Undertaking, and shall be released as follows: If the revenue from sales of the products forming part of the Business Undertaking by DRL during the 12 months post-closing exceeds INR 480 crore, DRL will be required to pay to the Company, from out of the Holdback Amount, an amount equal to 2 (two) times the amount by which the revenue exceeds INR 480 crore.

Due to the restrictions on movement into and within the state of Himachal Pradesh on account of the COVID-19 pandemic, the approval of the Government of Himachal Pradesh for the transfer of the land underlying the manufacturing facility at Baddi, Himachal Pradesh ("Baddi Facility"), as required under the Himachal Pradesh Tenancy and Land Reforms Act, 1972, is pending as of date. Accordingly, the Company and DRL have agreed that the Baddi Facility, shall only be transferred once the approval of the Government of Himachal Pradesh is received and in the meanwhile, the Company and DRL will enter into interim arrangements for management of the Baddi Facility by DRL.

While the year FY19-20 closed with divestment of part of mostly acute Business to Dr. Reddy's (DRL), the current year was focused on smoothly transitioning the related Business assets and operations. H1 operations remained muted in general because of the fallouts of the pandemic and situations beyond the Company's control. The rest of the industry too was no exception to this. However, your Company, during the same period, was focused on deployment of funds and setting its investment priorities to ensure maximum returns. Secondly, in a scenario wherein the operations remained muted / shut down for the economy as a whole, your Company ensured dedicated focus on the expense side with containment of costs by adapting to the new normal. Significant efforts to identify new revenue streams and enhance profitability and cash flow also translated into new partnerships into international geographies. Further, expansion of businesses to newer horizons continues to be on the radar, with top priority to remediation efforts for obtaining US FDA clearance.

1st Indian Pharmaceutical Company to launch NCE in India in the Anti-Infective Space

During the year, your Company launched 2 new antibiotics, EMROK (IV) and EMROK O (Oral), for acute bacterial skin and skin structure infections including diabetic foot infections and concurrent bacteraemia. Earlier in January 2020, the Indian Drug Controller, DCGI, approved the same based on the Phase 3 study involving 500 patients in 40 centres across India. The new drug will target superbugs like Methicillin-resistant Staphylococcus aureus (MRSA), which is a leading cause of rising antimicrobial resistance (AMR).

Antimicrobial Resistance (AMR) is a major public health problem globally. India carries one of the largest burdens of drug-resistant pathogens worldwide. Infections caused by drug-resistant organisms could lead to increased mortality and prolonged duration of hospitalisation, causing a huge financial burden to affected persons and healthcare systems, and hinder the goals of sustainable development. Two million deaths are projected to occur in India due to AMR by the year 2050. The World Health Organization (WHO) in 2017 had listed Methicillin-resistant S. aureus (MRSA) as a 'high' priority pathogen due to high prevalence of resistance, mortality rate, and burden on community and healthcare systems. In 2018, a national study conducted by the Indian Council of Medical Research (ICMR) and Anti-microbial Resistant Surveillance Network (AMRSN) group highlighted the high prevalence of 38.6% of MRSA in India. A recent Indian study reports that 1 in 6 patients infected with multidrug resistant Gram positive infections, die in intensive care units.

The size of the Indian Antibiotic market is approximately INR 16,000 crore. Growing at 7%, it is one of the largest therapeutic segments with a 12% market share of the Indian Pharmaceutical Market.

Another Milestone Achieved in Breakthrough Anti-infective NCEs

In Q1, your Company received Qualified Infectious Disease Product ('QIDP') status for WCK 6777 from the United States Food and Drug Administration ('USFDA'). WCK 6777 is a once-a-day combination antibiotic based on Wockhardt's NCE Zidebactam, which imparts WCK 6777 the 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 resistant (MDR) Gram negative pathogens.

Divestment of the French Business

During the year Wockhardt France (Holdings) S.A.S. (WFH), a step-down subsidiary of the Company, divested the Marketing Authorisations (MAH) of the products along with their Trademarks (collectively known as 'Business Assets') for a consideration of Euro 11 Million.

WFH, had business/marketable assets in the form of pharmaceutical marketing authorizations (MAH) of the branded generic products that has seen significant competition and price erosion over the years as a generic business. Considering soaring competition in the generic market and limited scope for further growth or to introduce new products in the market, it was prudent to divest Business Assets.

WFH received price consideration on 18th December, 2020, and outstanding loan in the Business was repaid in full.

Work From Home, Related Issues, and Technology

The COVID-19 pandemic and the consequent remedial measures adopted all over the world, has significantly disrupted civilisation resulting in a herculean task of reshaping the world. The whole world realised the gravity of the situation and was left with no alternative but for a prolonged quarantine.

Your Company had undertaken proactive steps from the inception of the pandemic across all facets of business operations and the safety of its people. Anticipating the onset of a major crisis in times to come, and in the best interest of all the internal stakeholders in focus, your Company quickly took a decision to roll out measures enabling Work From Home (WFH) for its associates as early as the third week of March 2020.

The Corporate IT Team quickly swung into action leveraging technology to enable WFH. Timely training sessions on remote connectivity were held in parallel before the WFH rollout; access to laptop devices; connectivity to SAP, Email and GXP applications; and access to various user folders were enabled. Collaborative tools like Zoom and MS Teams for making the collaboration more effective and productive while working from home were introduced. Post roll out, a dedicated IT Help Desk was created to cater to the WFH needs of associates.

Security standards were verified through a third party audit. A COVID Health assessment app was rolled out to assess the health of the associates. To strengthen the security system, face recognition and a contactless, IR-based wrist temperature monitoring solution was evaluated and implemented at all manufacturing locations, R&DD centre, and corporate offices.

While several challenges were faced initially, it was a learning opportunity for the organisation to evolve and transform itself, and to align its work culture with the best-in-class global practices. As on date, with the help of relentless efforts put together by all the stakeholders, and strengthening of the technology backbone, the entire WFH experience has become seamless for all associates.

Business Performance

Business performance during the year was a mixed bag owing to significant impact on business due to COVID-19.

The Domestic Business saw growth during the year mainly in the Diabetes segment and on account of the successful launch of the NCE portfolio. In addition to the same your Company also launched a couple of new products to replenish the India portfolio.

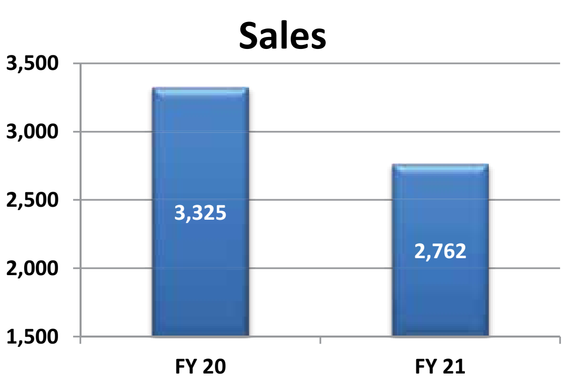
The Emerging markets business continues to grow robustly even amidst global challenges, as focus strengthens on penetrating new countries and adding new products, and tender wins for existing portfolio. A significant growth came from the Biotech segment.

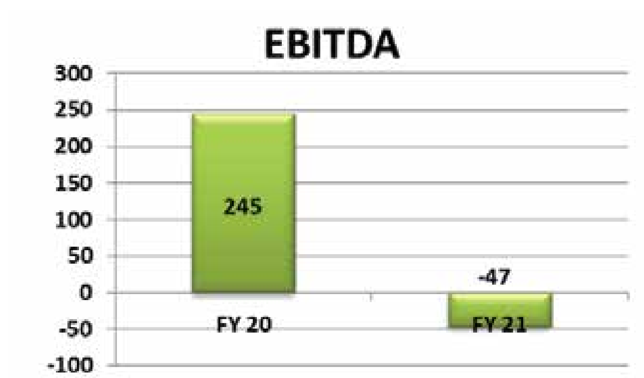
The Company's focus on cost containment and rationalisation continues delivering its intended positive impact on profitability in spite of ongoing remedial measures.

The Company's International Businesses (US, UK and EU) continues to be under pressure because of aggressive channel consolidation and genericisation, which is impacting pricing. Secondly, to add to the existing woes, the COVID-19 pandemic continues to create havoc globally, thus affecting the normal volumes.

On the Domestic Business front there was de-growth mainly due to the divestment of DRL-related business post Q1.

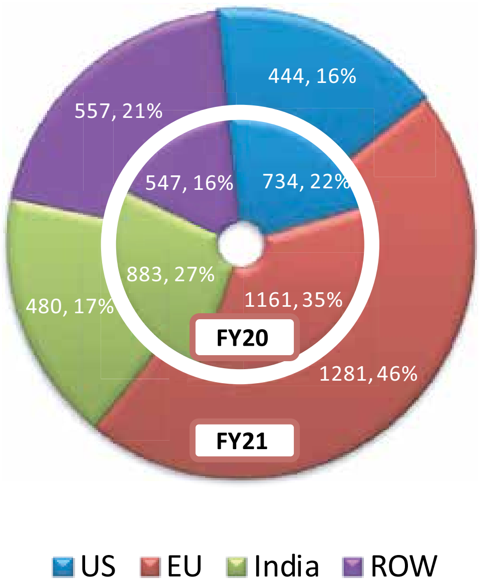
During the year, the Company's Research and Development expenses continued to grow keeping in view its strategic focus on Pharmaceutical, Biotechnology and NCE segments and was approximately 6% of consolidated revenues.





REVENUES

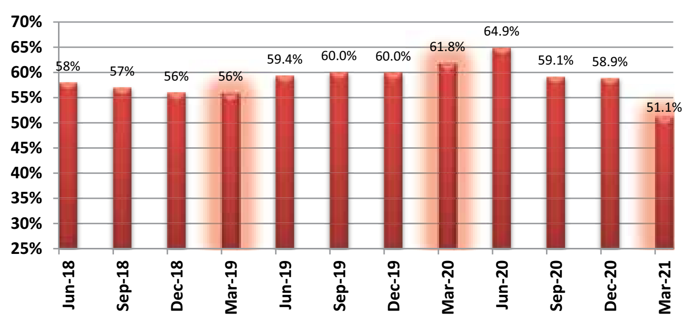
Revenue from Operations during the year was ₹ 2,762 crore compared to ₹ 3,325 crore in the previous year with a decrease of 17%.

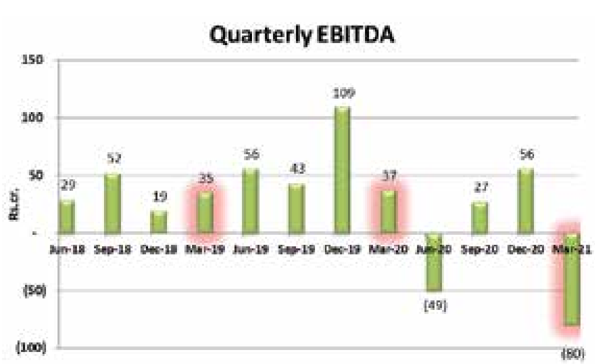


The revenue split of US Operations stood at 16% (compared to 22% as in FY 2020) while the European Business contributed 46% (compared to 35% in FY 2020). India and Rest of the World de-grew YoY but still contributed a robust 38% (compared to 43% in FY 2020).

PROFITABILITY

Irrespective of the decline in gross margins compared to the immediate previous year, the same across all the quarters continues to be either above or in line with the historic past or long-term average for the previous years. The temporary decline is an outcome of changing business mix accompanied with other factors like portfolio swings in favour of low margin business to capture growth opportunities to align to the overall company vision to expand its presence. Secondly, fluctuating material costs have significantly impacted due to shortages and disruptions over the pandemic phase.





On Y-o-Y basis EBITDA has declined mainly due to top-line reduction and significant material costs impact. Fixed cost rationalisation and cost containment measures have helped to improve the overall efficiency and compensate for the above to some extent. The Company's strategic focus on R&DD initiatives that are futuristic in nature, continue to impact the EBITDA as they are being expensed.

Material consumption for FY 2021 stood at 41% of sales compared to 40% in FY 2020.

The company's emphasis on R&D continued during the year while adopting selective strategy for rationalising R&D spends which is reflected in spends for FY 2021 at~ 6%. Personnel costs as % to sales were higher than PY at ~26% due to lower base. However, in absolute terms, the cost de-grew by 7%.

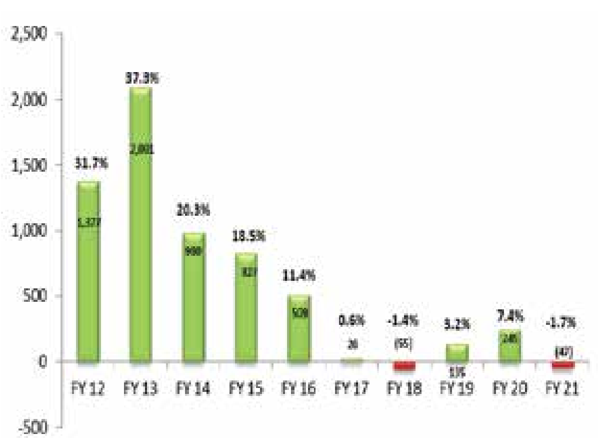
Other expenses for FY 2021 were at 28% of sales compared to 23% in the previous year. Interest cost in absolute terms was lower by 10% compared to previous year mainly due to repayment of loans.

Other Income was significantly higher than the previous year by ~ INR 93 crore.

Exceptional Gains from DRL divestment deal resulted in an income of INR 1470 crore.

Profits after Non-Controlling interest (NCI) improved from (-2%) in PY to (25%) in FY 2021.

Particulars	**FY 20**	**FY 21**	**Change %**
Material Consumption	39.7%	41.4%	-1.7%
Personnel Cost	23.3%	25.8%	-2.5%
R&D	6.3%	6.2%	0.0%
Other Expenditure	23.4%	28.3%	-4.9%
Interest	8.3%	9.0%	-0.7%
Depreciation	6.8%	8.9%	-2.1%
Exchange loss/(Gain)	-0.6%	0.1%	-0.7%
Other Income	-1.2%	-4.8%	3.6%
Exceptional Item Profit/(Loss)	0.0%	48.1%	-48.1%
Tax	-4.6%	8.2%	-12.8%
Profits (Before NCI)	-1.3%	24.9%	26.2%
NCI	0.8%	0.1%	0.7%
Profits (After NCI)	-2.1%	24.8%	26.9%

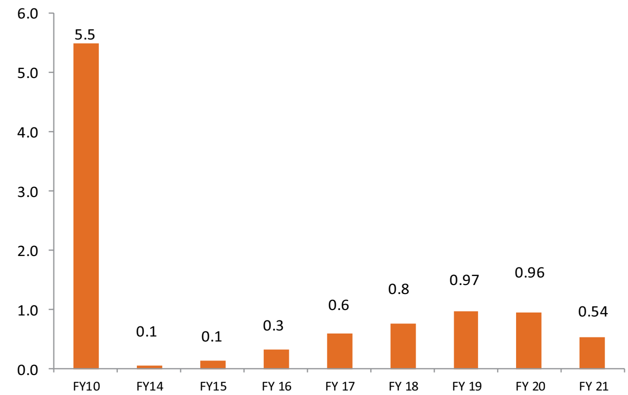


The Company's EBITDA margins remained more or less neutral in the current fiscal.

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

DEBT AND LEVERAGE

The Net Debt to Equity ratio stood at 0.54 as on 31st March, 2021.



DEBT POSITION

INR in Crores

	FY 21	FY 20	Change	% Change
Secured	1,853	2,610	-757	-29%
Unsecured	473	237	236	100%
Preference Capital	–	350	-350	-100%
Total	**2,326**	**3,196**	**-870**	**-27%**

Research and Development: The Company's Strategic Core

The Company's continuous strategic focus in complex research in Pharma, Biosimilars and NCEs for the past couple of years have shown encouraging results, particularly in the field of breakthrough Anti-infectives.

Global Antibiotic Markets and Antimicrobial Resistance Level Crisis

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

Antimicrobial resistance (AMR) is a major threat to human development as it affects our ability to treat a range of infections caused by bacteria, parasites, viruses and fungi. Treatments for a growing list of infections, including urinary tract infections, tuberculosis (TB), sepsis, gonorrhoea and food borne diseases, have become less effective in many parts of the world because of resistance. In the absence of an effective antibiotics modern medical procedures, such as major surgery, organ transplantation, diabetes management and cancer chemotherapy will become a very high risk[1, 2]. The severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) is a new coronavirus that was recently discovered in 2019. While the world is working hard to overcome and control the coronavirus disease 2019 (COVID-19) pandemic, it is also crucial to be prepared for the great impacts of this outbreak on the development of antimicrobial resistance (AMR)[3].

Antimicrobial resistance (AMR) is a growing global problem to which the on-going COVID-19 pandemic may further contribute It is predicted that inappropriate and too much use of antibiotics, biocides, and disinfectants during this pandemic may raise disastrous effects on antibiotic stewardship programmes and AMR control all around the world. Furthermore, the use of certain antibiotics alone or in combination with antiviral agents or other medications for the treatment of secondary bacterial infections among COVID-19 patients may be regarded as a major factor that negatively affects host immune response by disrupting mitochondrial function and activity. The rising concerns about excessive use of antimicrobials and biocides and taking too much hygiene also need to be addressed during this pandemic due to their impacts on AMR, public health, and the environment[3].

Burden of Resistance to Antibacterial Drugs

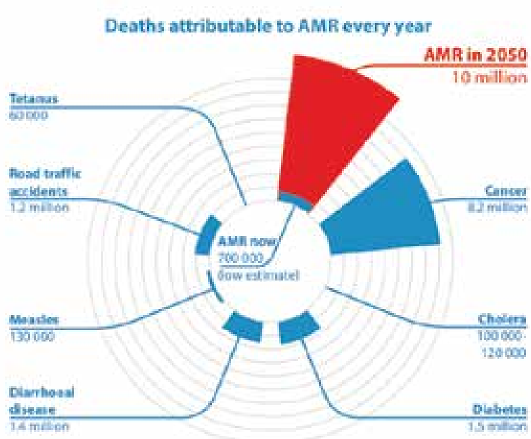
The overall health and economic burden resulting from acquired AMR cannot be fully assessed with the presently available data. However, some estimates of the economic effects of AMR have been attempted, and the findings are disturbing. In a WHO report on Antimicrobial Resistance: Global Report on Surveillance (2014), the yearly cost to the US health system alone has been estimated at US $21 to $34 billion[4] dollars, accompanied by more than 8 million additional days in hospital[4]. 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[4]. The CDC, in its 2019 report on Antibiotic Resistance Threats in the United States, estimates that 2.8 million antibiotic-resistant infections occur each year in US alone[5].

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[6] 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.[7] The nature of this global problem emphasises the challenge that the UK faces when tackling AMR in the food supply chain.

The cost of healthcare 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 healthcare[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[6]. 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[10]. 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.



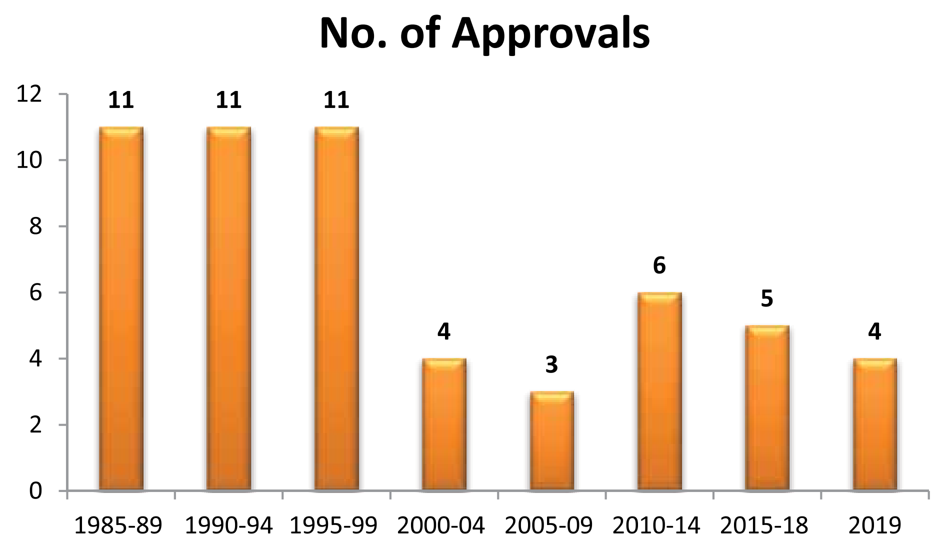
Source: The Review on Antimicrobial Resistance, Jim O'Neill, 2016

The worst-case scenario in the coming future would be that the 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 healthcare system. In general, the world population would be hugely affected as of the year 2050, and birth rates would rapidly decline in this scenario[9, 11].

Growing Demand!

The global antibiotic market was valued at USD 41 bn in 2020 and is expected to grow at a compounded annual growth rate of 4.5% from 2021 to 2028[12]. 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)[6]. 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[4,13]



There has been a steady decline in the number of the new antibacterial drugs approved and this decline in new antimicrobial agents along with the need to manage an increasingly complex healthcare 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[14]: (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 public 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. Emerging economies like Middle East, Latin America, and Asia- Pacific are important future growth drivers and one can expect the rising trend to continue for the next decade amidst unanimous shift in focus to put issues pertaining to AMR and Antibiotic access on the world priority list.

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OPPORTUNITIES

Global markets continue to offer a plethora of opportunities because of transition in the form of lifestyle shift and related diseases in these countries. 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 significant partnerships in China, Japan and Korea.

The global crisis of antibiotics availability continues to pose a grave threat and the gap in the Anti-Infective segment has widened as relatively few drugs have been discovered in the last decade. However your Company's relentless focus for almost two decades in the Anti-Infective space has started showing recognition with consecutive approvals for QIDP in quick successions as well as approval from US FDA by granting abridged clinical trial for Phase III for its Superdrug antibiotic. WCK 5222. This was based on the evaluation by US FDA of its preclinical and clinical data of Phase I establishing safety and clinical scope of efficacy for the drug. Notably your company has 4 molecules (NCEs) as on date, which are at various stages of development.

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

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

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

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

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

RISK & CONCERNS – WAY AHEAD

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

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

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

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

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

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

1) Continuous innovations and anticipating the unexpected.
2) Shift towards localisation
3) Digital transformation
4) Cash being the new king for businesses
5) Shift towards variable cost models.
6) Supply chain resilience
7) Building agility

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

Pricing pressures in India continue to impact several organisations 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 businesses comprising a new product portfolio , new revenue streams, and better brand management.

Your Company is a global player and is not insulated against such external risks despite a 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 where the Company has a significant share of revenues from cross border operations.

Current status of QIDP Products: Spurring clinical development of NCEs in different territories

WCK 5222: An abridged Phase 3 global study protocol finalised in consultation with US FDA, EMA and Chinese FDA (NMPA). The study which was expected to commence in the second half of 2020 could not be initiated due to COVID-19 pandemic. Now, assuming that the pandemic would gradually be brought under control, the study is scheduled to start in in the second half of 2021. New batch of investigational product would be 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 the product meets an unmet medical need and agreed with the clinical development plan and clinical study protocol. The study is estimated to commence in December 2021 and is being planned on 1000 patients globally.

WCK 4873: Obtained Indian regulator DCGI's approval for initiating Phase 3 study in India for the indication of community acquired pneumonia. The study for the same has already commenced in February 2021.

WCK 771 & WCK 2349: Both NCEs, which represent the first-ever India-discovered antibiotics were launched in June 2020. Both the drugs have been approved for Acute Bacterial Skin and Skin Structure Infections (ABSSSI) including diabetic foot infections and concurrent bacteraemia. Since their launch, several leading clinicians have been extensively prescribing them for the management of complex serious infections related to skin infection, bacteraemia, diabetic foot infection, and bone and joint infection. As of now, across India more than 3000 patients have been treated with these novel antibiotics.

WCK 6777: US IND has been accepted. However, phase I study is deferred till 2022 in view of the urgency to initiate Phase 3 studies for other three advanced-stage NCEs.

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

Your Company has a strong focus in developing intellectual property and filed 22 patents during the year under review. 21 patents out of 22 patents pertain to NCEs. During the year, 41 patents were granted of which 39 patents were for NCEs. Thus, year after year, a high success rate for the grant of NCE patents is maintained. Your Company continued to build on its Intellectual Property base with 3,187 cumulative patents filed and 763 cumulative patents granted as on 31 March, 2021.

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.

The biotechnology R&D team of the Company has succeeded in developing and commercialising Recombinant Hepatitis-B Vaccine (Biovac-B), Recombinant Human Erythropoietin (WEPOX), Recombinant Human Insulin (Wosulin), and Recombinant Insulin Glargine (GLARITUS), all of which have 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, 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, Government 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 insulin has started displaying its potential, as revealed by the scale up studies in Project E, promising more than 24 Kg/batch in Project C and a capacity of ~3 tons/year in the existing plant, and with DSP up-gradation, a capacity of >6 tons/annum is achievable. The platform technology offers an opportunity with surmountable challenges 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 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, biotechnology and NCE programmes
c. Company's global reach in regulated markets and continued efforts to enhance its reach in emerging markets
d. Increasing pipeline of niche & complex technology generic products
e. Expanding revenue streams by adding new partnerships and tie-ups to manufacture COVID-19 Vaccines.

SEGMENT-WISE PERFORMANCE

The Company is exclusively into the pharmaceutical business segment.

DETAILS OF RATIOS

a)	Interest coverage ratio	:	0.99 to (0.20)	- Adverse
b)	Operating profit margin	:	7% to (2%)	- Adverse
c)	Net profit margin	:	(1%) to 25%	- Favorable
d)	Return on Net worth	:	(1%) to 18%	- Favorable
e)	Debtors turnover ratio	:	2.34 to 2.21	- Adverse
f)	Inventory Turnover ratio	:	1.72 to 1.51	- Adverse
g)	Current Ratio	:	1.41 to 1.60	- Favorable

There was a positive movement in the ratios such as Return on net worth, Net profit margin and Current ratio. These ratios have improved mainly on account of gain arising from the divestment of part of India Domestic branded business.

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 optimise use and protection of resources in compliance with policies and procedures. The internal control systems provide for well-defined policies, guidelines and authorisations and approval procedures. Internal audits are performed to test the adequacy and effectiveness of the internal controls laid down by management and to suggest improvements.

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

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

RISK MANAGEMENT FRAMEWORK

During the year, your Company has transitioned to a 'Risk Enabled Performance Management' with the help of M/s Ernst & Young with an overall risk management practice across the organisation integrated with business planning. The overall objective of the framework is:

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

HUMAN RESOURCES

Wockhardt's talent base, as on March 31^{st}, 2021 stands at 2892.

Wockhardt recognises that Associates are most valuable asset and always encourages them to meet business requirements while meeting their career aspirations. The Human Resource Division mainly focuses on supporting the business in achieving sustainable and responsible growth by building the right competencies and capabilities in the organisation. It continues to emphasise 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 provide more innovative and forward-looking HR focus and initiatives. Promoting diversity, learning environment, and work-life balance, establish a credible and integrated employee performance goal-setting. We are very happy to share that Wockhardt has been adjudged as recipient of BEST ONBOARDING AWARD 2019 award across categories, by People Matters.

'The Wockhardt Way' – 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 and sustainable growth. In order to provide meaningful opportunities to our Associates for learning and growth, we have strengthened our internal talent management pool by launching various career programs for our field associates – 'Emerge', 'Surge' and 'Upsurge' – providing 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 Company's 'Whistle Blower Policy' encourages people to report genuine concerns or grievances of illegal, unethical or inappropriate events (behaviour or practices) that affect the Company's interest/image. It also provides an adequate safeguard to the Whistle Blower against victimisation. 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 2021, 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 2021, of its consolidated profit 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 require 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 a key audit matter. Refer note 3(j) of accounting policy, note 24 and 37 in consolidated financial statements.	Our audit procedures included the following: • We have assessed the Group's accounting policies relating to revenue recognition by comparing with applicable accounting standards. • We have evaluated the design, implementation and operating effectiveness of the Group's key 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 as at the period end. • 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 at period end 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 ("US FDA") 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 2021, carrying value of such Property, Plant and Equipment and Capital Work in Progress amounts to ₹ 293.38 crores and ₹ 285.81 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. During the year Group has reassessed the commercial prospects of Nutrition business and has classified the related assets as held for sale. Given the significance of carrying value and judgement involved in assessing the recoverability of such facilities, this is considered to be a key audit matter. Refer note 3(d) and 3(q) of accounting policy and note 4, 38 and 44 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 inquired the progress made on remediation work with key managerial personnel. • We have verified the reports of physical verification of property, plant and equipment and capital work in progress (those assets affected by alerts from US FDA) by the Company, including those done by external experts. • We have assessed the competence, capabilities and objectivity of the experts (internal and external) used by the Group in the process of verification of assets, assessing the usability of assets and determining recoverable amounts, where required. • We have challenged the significant assumptions considered by the Group while carrying out impairment assessment for assets held for sale. • We have verified the impairment calculation by the Group basis the recoverable amount determined. • We have involved our valuation specialists to assess the valuation methodologies applied by the Holding Company to determine the recoverable amount for the impairment calculation for assets held for sale. • We have evaluated adequacy of presentation and disclosure of assets held for sale and related impairment loss in accordance with applicable accounting standards.

Divestment of identified domestic branded business

The Key Audit Matter	How the matter was addressed in our audit
During the year, the Group has completed divestment of its identified domestic branded business (Business Undertaking) to Dr. Reddy's Laboratories Limited. The Group has disclosed the results of operations of this Business Undertaking during the year as discontinued operations and the profit from the aforesaid Transfer of Business Undertaking (excluding the Holdback Amount of ₹ 300 crore) amounting to ₹ 1,470.32 crores has been reported as ' Exceptional Items - Discontinued operations. Given the size and complexity of transaction, this is considered to be a key audit matter. Refer note 3(q) of accounting policy and note 38 in consolidated financial statements.	Our audit procedures included the following: • We have assessed the Group's accounting policies relating to discontinued operations 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 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 verified the computation of gain on sale of Business Undertaking with underlying sale agreement and carrying value of net assets. • We have verified the computation of tax, including deferred tax adjustments on sale of Business Undertaking. • We have evaluated the adequacy of the presentation and disclosures of discontinued operations and gain on sale of Business Undertaking in accordance with applicable accounting standards.

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 ₹ 776.12 crores as at 31 March 2021. 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,note 6 and 44(a) 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 ₹ 904.04 crores as at 31 March 2021 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 challenged the significant assumptions considered by the Group while making impairment assessment with respect to revenue forecast, future cash flows, margins, terminal growth and discount rates. • We have involved our valuation specialists to assess the valuation methodologies applied by the Group. • We have performed a sensitivity analysis of the key assumption applied to determine the recoverable value and considered the resulting impact on the impairment testing. • We have evaluated the adequacy of disclosures made in the consolidated financial statements with respect to key assumptions and judgements.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the 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 paragraph (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 (before consolidation adjustments) of ₹ 7,283.40 crores as at 31 March 2021, total revenues (before consolidation adjustments) of ₹ 2,849.15 crores and net cash inflows amounting to ₹ 26.29 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 2021 have been translated into United States dollars solely for the convenience of the reader. We have audited the translation, and, in our opinion, such financial statements expressed in Indian rupee have been translated into United States dollars on the basis set forth in Note 2(c) to the consolidated financial statements. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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 2021 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 2021 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 2021 on the consolidated financial position of the Group. Refer Note 45 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 2021.

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 2021.

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 : 27 May 2021
ICAI UDIN: 21112399AAAABP4949

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF WOCKHARDT LIMITED FOR THE YEAR ENDED 31 MARCH 2021

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 2021, 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 2021, 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 : 27 May 2021
ICAI UDIN: 21112399AAAABP4949

CONSOLIDATED FINANCIAL STATEMENTS - BALANCE SHEET

As at March 31, 2021

	Notes	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million Supplementary information-convenience translation (See Note 2(C))	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million Supplementary information-convenience translation (See Note 2(C))
ASSETS					
NON-CURRENT ASSETS					
Property, Plant and Equipment	4	**1,718.97**	**235.12**	1,856.69	245.66
Right of use assets	4	**592.48**	**81.01**	622.20	82.32
Capital work-in-progress	4	**602.82**	**82.45**	836.46	110.67
Goodwill on consolidation	5	**904.04**	**123.65**	875.19	115.80
Other Intangible Assets	6	**127.63**	**17.46**	148.21	19.61
Intangible assets under Development	6	**776.12**	**106.16**	748.07	98.98
Financial Assets					
Investments	7	**0.45**	**0.06**	0.45	0.06
Other non-current financial assets	8	**44.82**	**6.13**	46.02	6.09
Non-current tax assets (Net)		**116.60**	**15.95**	118.95	15.74
Deferred tax assets (net)	9	**397.50**	**54.37**	429.42	56.82
Other non-current assets	10	**66.88**	**9.14**	67.42	8.92
		5,348.31	**731.50**	5,749.08	760.67
CURRENT ASSETS					
Inventories	11	**798.88**	**109.26**	689.83	91.27
Financial Assets					
Trade receivables	12	**917.65**	**125.51**	1,242.69	164.42
Cash and cash equivalents	13.1	**232.25**	**31.76**	219.34	29.02
Bank balances (other than cash and cash equivalents)	13.2	**59.54**	**8.13**	49.12	6.50
Other current financial assets	14	**33.18**	**4.54**	8.85	1.17
Other current assets	15	**238.59**	**32.64**	163.36	21.61
Asset classified as held for sale	31 & 38B	**144.29**	**19.73**	56.64	7.49
		2,424.38	**331.57**	2,429.83	321.48
Total Assets		**7,772.69**	**1,063.07**	8,178.91	1,082.15
EQUITY AND LIABILITIES					
EQUITY					
Equity Share Capital	16	**55.39**	**7.57**	55.37	7.32
Other Equity		**3,321.37**	**454.27**	2,616.30	346.16
Equity attributable to the share holders of the Company		**3,376.76**	**461.84**	2,671.67	353.48
Non-controlling interests	40	**383.49**	**52.45**	385.79	51.04
Total Equity		**3,760.25**	**514.29**	3,057.46	404.52
LIABILITIES					
NON-CURRENT LIABILITIES					
Financial Liabilities					
Borrowings	17	**502.85**	**68.77**	1,240.90	164.19
Lease Liabilities	33	**278.55**	**38.10**	306.52	40.56
Provisions	18	**84.37**	**11.54**	45.60	6.04
Deferred tax liabilities (net)	9	**28.45**	**3.89**	31.25	4.13
		894.22	**122.30**	1,624.27	214.92
CURRENT LIABILITIES					
Financial Liabilities					
Borrowings	19	**1,066.11**	**145.81**	903.86	119.58
Trade payables	20				
Total outstanding dues of micro enterprises and small enterprises		**22.21**	**3.04**	34.89	4.62
Total outstanding dues of creditors other than micro enterprises and small enterprises		**555.76**	**76.01**	860.38	113.84
Lease Liabilities	33	**62.67**	**8.57**	62.51	8.27
Other current financial liabilities	21	**1,108.65**	**151.63**	1,387.93	183.64
Other current liabilities	22	**174.17**	**23.82**	117.94	15.61
Provisions	23	**59.79**	**8.18**	117.28	15.51
Current tax liabilities (net)		**68.86**	**9.42**	0.97	0.13
Liabilities classified as held for sale	31 & 38B	**–**	**–**	11.42	1.51
		3,118.22	**426.48**	3,497.18	462.71
Total Liabilities		**4,012.44**	**548.78**	5,121.45	677.63
Total Equity and Liabilities		**7,772.69**	**1,063.07**	8,178.91	1,082.15
Significant Accounting Policies	3				
The accompanying notes form an integral part of these Financial Statements.					

As per our attached report of even date

For and on behalf of the Board of Directors

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

Koosai Lehery
Partner
Membership No. 112399

Gajanand Sahu
Company Secretary

Manas Datta
Chief Financial Officer

Place : Mumbai
Date : May 27, 2021

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

Vinesh Kumar Jairath
DIN: 00391684

Akhilesh Gupta
DIN: 00359325

Rima Marphatia
DIN: 00444343

Directors

CONSOLIDATED FINANCIAL STATEMENTS - STATEMENT OF PROFIT AND LOSS

For the Year Ended March 31, 2021

		Notes	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2020 USD in million Supplementary information- convenience translation (See Note 2(C))
	Income from Continuing operations					
I	Revenue from Continuing operations	24	**2,708.30**	**370.41**	2,843.99	376.30
II	Other income	25	**132.27**	**18.09**	38.81	5.13
III	Total Income (I + II)		**2,840.57**	**388.50**	2,882.80	381.43
IV	**Expenses from Continuing operations**					
	Cost of materials consumed		**682.43**	**93.34**	621.72	82.26
	Purchases of Stock-in-Trade		**579.90**	**79.31**	507.70	67.17
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	26	**(126.84)**	**(17.34)**	74.03	9.78
	Employee benefits expense	27	**762.95**	**104.35**	743.33	98.35
	Finance costs	28	**249.08**	**34.06**	275.74	36.49
	Depreciation and amortisation expense	4 & 6	**246.02**	**33.65**	224.14	29.66
	Exchange fluctuation (gain)/loss, net		**2.46**	**0.34**	(21.27)	(2.81)
	Other expenses	29	**870.43**	**119.06**	799.45	105.77
	Total Expenses (IV)		**3,266.43**	**446.77**	3,224.84	426.67
V	Loss before exceptional items and tax from Continuing Operations (III- IV)		**(425.86)**	**(58.27)**	(342.04)	(45.24)
VI	Discontinued Operations	38				
	Profit before exceptional items and tax from Discontinued Operations		**13.87**	**1.90**	145.36	19.23
VII	Exceptional items- credit/(charge)					
	a) Continuing Operations	31	**(142.48)**	**(19.49)**	–	–
	b) Discontinued Operations	38	**1,470.32**	**201.10**	–	–
	Total Exceptions Items		**1,327.84**	**181.61**	–	–
VIII	Loss after exceptional items before tax from Continuing Operations (V + VIIa)		**(568.34)**	**(77.76)**	(342.04)	(45.24)
IX	Tax expense of Continuing Operations	9				
	Current tax - credit		**(120.82)**	**(16.52)**	(48.42)	(6.41)
	Tax pertaining to earlier years		**–**	**–**	3.69	0.49
	Deferred tax - credit (Net)		**(150.79)**	**(20.62)**	(159.36)	(21.08)
X	Net Loss from Continuing Operations (VIII - IX)		**(296.73)**	**(40.62)**	(137.95)	(18.24)
XI	Profit after exceptional items before tax from Discontinued Operations (VI + VIIb)		**1,484.19**	**203.00**	145.36	19.23
XII	Tax expense of discontinued operations	9 & 38A				
	Current tax - charge		**311.49**	**42.60**	50.80	6.72
	Deferred tax - charge (Net)		**187.37**	**25.63**	–	–
XIII	Profit from Discontinued Operations (XI - XII)		**985.33**	**134.77**	94.56	12.51
XIV	Profit/(Loss) for the year (X + XIII)		**688.60**	**94.15**	(43.39)	(5.73)
	Attributable to:					
	Equity holders of the Company		**686.06**	**93.80**	(69.22)	(9.15)
	Non-controlling interests		**2.54**	**0.35**	25.83	3.42
			688.60	**94.15**	(43.39)	(5.73)
XV (i)	Other Comprehensive Income - Continuing Operations					
	(i) Items that will not be reclassified to profit or loss - (charge)/credit Consisting of remeasurement of net defined benefit (liability)/asset		**(23.21)**	**(3.18)**	(2.95)	(0.39)
	(ii) Income tax relating to items that will not be reclassified to profit or loss- (charge)/credit		**4.47**	**0.61**	(3.45)	(0.46)
	Items that will be reclassified to profit or loss (Consisting of Exchange differences on translating the financial statements of a foreign operation)		**14.79**	**2.02**	107.38	14.21
	Other Comprehensive Income (Net of tax) from continuing operations		**(3.95)**	**(0.55)**	100.98	13.36
XV (ii)	Other Comprehensive Income - Discontinued Operations					
	(i) Items that will not be reclassified to profit or loss - (charge)/credit Consisting of remeasurement of net defined benefit (liability)/asset		**(0.04)**	**(0.01)**	(0.17)	(0.02)
	(ii) Income tax relating to items that will not be reclassified to profit or loss- (charge)/credit		**0.01**	**–**	0.06	0.01
	Other Comprehensive Income (Net of tax) from discontinued operations		**(0.03)**	**(0.01)**	(0.11)	(0.01)
XVI	Total Comprehensive Income (XIV+XV (i)+XV(ii)) (Comprising Profit/(Loss) and other comprehensive income for the year)		**684.62**	**93.59**	57.48	7.62
	Total comprehensive income attributable to:					
	Equity holders of the Company		**686.92**	**93.90**	1.52	0.21
	Non-controlling interests		**(2.30)**	**(0.31)**	55.96	7.41
			684.62	**93.59**	57.48	7.62
	Earnings per equity share of face value of ₹ 5 each	30				
A.	Earnings per equity share (for continuing operations)					
	Basic earnings per share ₹/USD		**(27.02)**	**(0.37)**	(14.79)	(0.20)
	Diluted earnings per share ₹/USD		**(27.02)**	**(0.37)**	(14.79)	(0.20)
B.	Earnings per equity share (for discontinued operations)					
	Basic earnings per share ₹/USD		**88.97**	**1.22**	8.54	0.11
	Diluted earnings per share ₹/USD		**88.58**	**1.21**	8.50	0.11
C.	Earnings per equity share (for continuing and discontinued operations)					
	Basic earnings per share ₹/USD		**61.95**	**0.85**	(6.25)	(0.08)
	Diluted earnings per share ₹/USD		**61.68**	**0.84**	(6.25)	(0.08)
	Significant accounting policies The accompanying notes form an integral part of these Financial Statements.	3				

As per our attached report of even date

For and on behalf of the Board of Directors

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

Koosai Lehery
Partner
Membership No. 112399

Gajanand Sahu
Company Secretary

Manas Datta
Chief Financial Officer

H. F. Khorakiwala
Chairman
DIN: 00045608

Huzaifa Khorakiwala
Executive Director
DIN: 02191870

Murtaza Khorakiwala
Managing Director
DIN: 00102650

Zahabiya Khorakiwala
Non Executive Director
DIN: 00102689

Tasneem Mehta
DIN: 05009664

Vinesh Kumar Jairath
DIN: 00391684

Akhilesh Gupta
DIN: 00359325

Rima Marphatia
DIN: 00444343

Directors

Place : Mumbai
Date : May 27, 2021

CONSOLIDATED FINANCIAL STATEMENTS - STATEMENT OF CHANGES IN EQUITY

For the Year Ended March 31, 2021

A. Equity Share Capital

As at April 01, 2019 ₹ in crore	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 Supplementary information-convenience translation (See Note 2(C))	Changes in equity share capital during the year ₹ in crore	**As at March 31, 2021 ₹ in crore**	**As at March 31, 2021 USD in million Supplementary information-convenience translation (See Note 2(C))**
55.34	0.03	55.37	7.32	0.02	**55.39**	**7.57**

B. Other equity

	Reserves and Surplus								Other comprehensive income	Total Equity attributable to the share holders of the Company	Non-controlling interests	Total
	Capital Reserves		Capital Redemption Reserve (CRR)	Securities Premium	Share Options Outstanding Account	General Reserves	Other Reserves (FCMITDA)	Retained Earnings	Exchange differences on translating the financial statements of a foreign operation			
	Capital Reserves (other than capital contribution)	Capital Contribution										
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Balance as on April 01, 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**
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 36)	–	–	–	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**
Profit/(Loss) for the year	–	–	–	–	–	–	–	686.06	–	686.06	2.54	688.60
Transfer to CRR on account of Redemption of preference shares	–	–	–	–	–	–	–	(330.00)	–	(330.00)	–	(330.00)
Other comprehensive income/(Loss) for the year	–	–	–	–	–	–	–	(16.16)	17.02	0.86	(4.84)	(3.98)
Total comprehensive Income	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**339.90**	**17.02**	**356.92**	**(2.30)**	**354.62**
Net additions/(deductions) on ESOP options (Also Refer note 36)	–	–	–	3.67	(2.45)	0.53	–	–	–	1.75	–	1.75
Additions in Foreign Currency Monetary Items Translation Difference Account (FCMITDA)	–	–	–	–	–	–	6.84	–	–	6.84	–	6.84
Amortisation from Foreign Currency Monetary Items Translation Difference Account (FCMITDA)	–	–	–	–	–	–	9.55	–	–	9.55	–	9.55
Transfer from Retained earnings on account of Redemption of preference shares	–	–	330.00	–	–	–	–	–	–	330.00	–	330.00
Balance as on March 31, 2021	**172.78**	**65.57**	**819.35**	**76.45**	**27.52**	**263.47**	**(5.53)**	**1,529.12**	**372.63**	**3,321.37**	**383.49**	**3,704.86**
Balance as on March 31, 2021 (USD in million) Supplementary information-convenience translation (See Note 2(C))	**23.63**	**8.97**	**112.06**	**10.46**	**3.76**	**36.04**	**(0.76)**	**209.14**	**50.97**	**454.27**	**52.45**	**506.72**
Balance as on March 31, 2020 (USD in million) Supplementary information-convenience translation (See Note 2(C))	**22.86**	**8.68**	**64.75**	**9.63**	**3.97**	**34.79**	**(2.92)**	**157.35**	**47.05**	**346.16**	**51.04**	**397.20**

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 36 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

Place : Mumbai
Date : May 27, 2021

Gajanand Sahu
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

Vinesh Kumar Jairath
DIN: 00391684

Akhilesh Gupta
DIN: 00359325

Rima Marphatia
DIN: 00444343

Directors

CONSOLIDATED FINANCIAL STATEMENTS - CASH FLOW STATEMENT

For the Year Ended March 31, 2021

	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2020 USD in million Supplementary information- convenience translation (See Note 2(C))
CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES				
Loss before tax from Continuing Operations	**(568.34)**	**(77.73)**	(342.04)	(45.24)
Profit before tax from Discontinued Operations	**1,484.19**	**202.99**	145.36	19.23
Adjustments for:				
Depreciation and amortisation expense	**246.04**	**33.65**	225.70	29.86
Allowance for credit loss	**(21.16)**	**(2.89)**	27.80	3.68
Bad Debts	**25.74**	**3.52**	4.16	0.55
Doubtful advances	**1.67**	**0.23**	–	–
(Profit)/Loss on assets sold/write off of fixed assets (net)	**10.22**	**1.40**	(0.40)	(0.05)
Profit from Transfer of Business Undertaking	**(1,470.32)**	**(201.10)**	–	–
Profit from sale of intellectual property and marketing rights	**(94.70)**	**(12.95)**	–	–
Finance costs	**249.08**	**34.07**	275.74	36.49
Exchange loss/(gain)	**2.46**	**0.34**	(21.27)	(2.81)
Interest income	**(20.56)**	**(2.81)**	(9.99)	(1.32)
Employee share based payments expenses	**1.75**	**0.24**	2.26	0.30
Liabilities no longer required written back	**(14.97)**	**(2.05)**	(20.77)	(2.77)
Impairment loss on nutrition business assets	**142.48**	**19.49**	–	–
	(26.42)	**(3.60)**	**286.53**	**37.92**
Movements in Working capital				
(Increase)/Decrease in Inventories	**(106.68)**	**(14.59)**	129.53	17.14
Decrease in trade receivables	**346.56**	**47.40**	53.45	7.07
(Increase)/Decrease in Loans and Advances and other assets	**(96.46)**	**(13.19)**	108.05	14.30
(Decrease)/Increase in Liabilities and provisions	**(277.00)**	**(37.89)**	83.65	11.07
Adjustment for translation difference	**(10.01)**	**(1.37)**	4.90	0.65
Cash (used in)/generated from operations	**(170.01)**	**(23.24)**	666.12	88.15
Income tax paid	**(117.31)**	**(16.04)**	(17.16)	(2.27)
Net cash (outflow)/inflow from Operating activities	**(287.32)**	**(39.28)**	648.96	85.88
CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment and Capital work-in progress	**(80.54)**	**(11.02)**	(30.65)	(4.06)
Purchase of Intangible assets and Addition in Intangible assets under development	**(85.19)**	**(11.65)**	(141.74)	(18.75)
Proceeds from sale of property, plant and equipment	**0.80**	**0.11**	8.94	1.18
Consideration received from Transfer of Business Undertaking, net	**1,534.50**	**209.87**	–	–
Consideration on sale of intellectual property and marketing rights, net	**95.96**	**13.12**	–	–
Margin money under lien and Bank balances (other than cash and cash equivalents)	**(9.60)**	**(1.31)**	0.43	0.06
Interest received	**14.17**	**1.94**	7.48	0.99
Net cash inflow/(outflow) from Investing activities	**1,470.10**	**201.06**	(155.53)	(20.58)

	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2020 USD in million Supplementary information- convenience translation (See Note 2(C))
CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES (REFER NOTE 46)				
Proceeds from Issuance of Equity share capital	**0.02**	**–**	0.03	–
Proceeds from long-term borrowings (other than preference shares)	**–**	**–**	280.55	37.12
Redemption of preference shares	**(330.00)**	**(45.13)**	–	–
Repayment of long-term borrowings (other than preference shares above)	**(783.06)**	**(107.10)**	(881.88)	(116.68)
Short-term borrowings (net)	**29.23**	**4.00**	1.69	0.22
Loans from related parties	**410.00**	**56.08**	231.89	30.68
Repayment of loans taken from Related parties	**(172.16)**	**(23.55)**	–	–
Repayment of Lease liabilities (Refer note 3 below)	**(64.98)**	**(8.89)**	(64.46)	(8.53)
Finance costs paid (including preference dividend)	**(235.10)**	**(32.15)**	(247.72)	(32.78)
Premium on redemption of preference shares	**(24.24)**	**(3.32)**	–	–
Equity Dividend paid (including dividend distribution tax, if any) to IEPF	**(0.53)**	**(0.07)**	0.32	0.04
Net cash outflow from Financing activities	**(1,170.82)**	**(160.13)**	(679.58)	(89.93)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**11.96**	**1.65**	(186.15)	(24.62)
Cash and cash equivalents as at the beginning of the year	**219.34**	**30.00**	397.34	52.57
Effects of exchange rate changes on cash and cash equivalents	**(1.81)**	**(0.25)**	0.16	0.02
Exchange difference on translation of foreign cash and cash equivalent	**2.76**	**0.36**	7.99	1.06
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR	**232.25**	**31.76**	219.34	29.02
Reconciliation of cash and cash equivalents as per the cash flow statement				
Cash and cash equivalents as per above comprise of the following				
Cash on hand	**0.10**	**0.01**	0.05	0.01
Balance with banks:				
– in current account	**232.15**	**31.75**	219.29	29.01
Balance as per the Statement of cash flows	**232.25**	**31.76**	219.34	29.02

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 ₹ 32.62 crore (Previous year: ₹ 34.36 crore)
   Payment of Principal ₹ 32.36 crore (Previous year: ₹ 30.10 crore)
4. Refer Note 38 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

Gajanand Sahu
Company Secretary

Manas Datta
Chief Financial Officer

Place : Mumbai
Date : May 27, 2021

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

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Managing Director
DIN: 00102650

Akhilesh Gupta
DIN: 00359325

Zahabiya Khorakiwala
Non Executive Director
DIN: 00102689

Rima Marphatia
DIN: 00444343

Directors

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

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) LLC	Russia	Wockhardt Bio AG	100%
26	Wockhardt Bio Pty Ltd	Australia	Wockhardt Bio AG	100%
27	Wockhardt Bio Ltd #	New Zealand	Wockhardt Bio AG	100%

Wockhardt Bio Ltd 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 twelve manufacturing locations and there are three locations where research and development activities are carried out.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

A. Statement of compliance

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

These consolidated financial statements were approved by the Board of Directors and authorised for issue on May 27, 2021

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, 2021 and March 31, 2020 have been translated into United States dollars at the closing rate USD 1 = ₹ 73.1150 (previous year: USD 1 = ₹ 75.5800). No representation is made that the Indian rupee amounts have been, could have been or could be converted into United States dollars at such a rate or any other rate, or at all.

D. Basis of consolidation

Subsidiaries

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

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

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

Transactions eliminated on consolidation

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

E. Use of Estimates and Judgments

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

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

Critical judgements in applying accounting policies:

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

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

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

(ii) Lease arrangements:

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

(iii) Impairment of trade receivables:

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

(iv) Legal and other disputes:

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

(v) Post- employment benefits:

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

(vi) Sales return and rebates:

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

Gross revenue is reduced by rebates, discounts, allowances and product returns given or expected to be given, which vary by product arrangements and buying groups. These arrangements with purchasing organisations are dependent upon the submission of claims 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 useful life:

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

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

(ix) Provision for inventory:

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

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

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

(xi) Intangible asset under development:

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

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	10 – 61 years
Plant and Equipment	4 – 21 years
Furniture and Fixtures	6 – 20 years
Office Equipments	4 – 20 years
Information Technology Equipments	3 – 20 years
Vehicles	5 years

Depreciation method, useful 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 15 years.

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

c) Research and Development

Research costs are expensed as incurred. Development expenditure incurred on an individual project is carried forward when it meets the conditions of development phase under Ind AS 38 "Intangible Assets" and it can be demonstrated that intangible asset under development will generate probable future economic benefits. The carrying value of development costs is reviewed for impairment when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

d) Impairment of Non-financial assets

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

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

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

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

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

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

e) Foreign Currency Transactions/Translations:

i) Transactions in foreign currencies are translated to the reporting currency at exchange rates at the dates of the transactions.

ii) Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the reporting currency at the exchange rate at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

iii) Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in the Consolidated Statement of Profit and Loss in the period in which they arise.

iv) The Group has availed an option of continuing the policy adopted for exchange differences arising from translation of long term foreign currency monetary items outstanding as on March 31, 2016. Accordingly, foreign exchange gain/losses on long term foreign currency monetary items relating to the acquisition of depreciable assets are added to or deducted from the cost of such assets and in other cases, such gains or losses are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" to be amortised over the remaining life of the concerned monetary item.

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

f) Financial Instruments

I. Financial assets

(i) Classification of financial assets

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

Debt instruments at amortised cost:

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

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Debt instruments at fair value through other comprehensive income (FVOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the EIR method. The Group does not have any instruments classified as fair value through other comprehensive income (FVOCI).

Debt instruments measured at fair value through profit and loss (FVTPL):

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the Consolidated statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity investments:

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

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

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

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

Derivative financial instruments:

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

(ii) Initial recognition and measurement

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

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

(iii) Derecognition of financial assets

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

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  (a) The Group has transferred substantially all the risks and rewards of the asset, or
  (b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

(iv) Impairment of financial assets

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

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

b) Trade receivables.

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

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

II. Financial Liabilities and equity instruments:

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

(i) Equity instruments:

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

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

(ii) Financial liabilities: Classification:

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

(iii) Initial recognition and measurement:

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

(iv) Derecognition

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

III. Fair value:

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

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

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

(c) Level 3: The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

IV. Accounting for day 1 differences:

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

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

In case the difference represents:

(i) deemed capital contribution - it is recorded as capital contribution in Capital Reserve

(ii) deemed distribution - It is recorded in equity

(iii) deemed consideration for goods and services - it is recorded as an asset or a liability. This amount is amortized/accredited to the Consolidated Statement of Profit and Loss as per the substance of the arrangement (generally straight-line basis over the duration of the arrangement)

V. Embedded derivatives

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

VI. Offsetting of financial instruments

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

g) Business combinations

i) The Group accounts for each business combination by applying the acquisition method. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

ii) Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

iii) The Group measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount of the identifiable assets acquired and liabilities (including contingent liabilities in case such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably) assumed. When the fair value of the net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, a bargain purchase gain is recognized as capital reserve.

iv) Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to settlement of pre-existing relationships.

v) Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise subsequent changes in the fair value of the contingent consideration are recognised in the Consolidated Statement of Profit and Loss.

vi) Transaction costs that the Company incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

vii) On an acquisition-by-acquisition basis, the Company recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

viii) Any goodwill that arises on account of such business combination is tested annually for impairment.

ix) Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders. The difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity.

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

h) Income tax

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

Current tax

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

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

a) has a legally enforceable right to set off the recognised amounts; and

b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

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

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

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

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

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

Deferred tax assets and liabilities are offset only if:

a) The Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

i) Inventories

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

Inventories are valued at cost or net realizable value, whichever is lower. Cost also includes all charges incurred for bringing the inventories to their present location and condition including non-creditable taxes and other levies.

Inventories of stores and spare parts are valued at cost.

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

j) Revenue Recognition

Sale of goods

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

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

In case of certain bill and hold arrangements with a few customers, the Group recognizes revenue when the goods are separately identified and are ready for physical transfer and are kept at warehouses/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 pronouncements related to Division II of Schedule III

Ministry of Corporate Affairs ("MCA") vide notification dated March 24, 2021 has amended Schedule III of the Companies Act, 2013, which shall be effective from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

Ageing schedule of trade receivables, trade payables, capital work-in-progress in specified format.

Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

Security deposits to be presented under other financial assets

Current maturities of long-term borrowings to be disclosed separately under borrowings

Disclosure of prescribed ratios e.g. current ratio, debt-equity ratio

Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held, disclosure relating to ratios etc.

Enhanced disclosure for borrowings from banks or financial institutions on the basis of security of current assets such as agreement of quarterly returns or statements of current assets filed by the Company with banks or financial institutions with books of accounts and if not, summary of reconciliation and reason of material discrepancies, if any.

Statement of profit and loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of financial statements.

The Group is in the process of evaluating the above amendments.

4. PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Block (At Cost)						Accumulated Depreciation							Net Block			
	As at April 01, 2020	Additions	Deductions/ Adjustments (Refer Note 4.5)	Exchange gain/(loss)	Asset classified as held for sale (Refer note 38B)	As at March 31, 2021	As at April 01, 2020	Charge for the year	Deductions/ Adjustments (Refer Note 4.5)	Exchange gain/ (loss)	Impairment	Asset classified as held for sale (Refer note 38B)	As at March 31, 2021	As at March 31, 2021 (Refer Note 4.5)	As at March 31, 2021	As at March 31, 2020	As at March 31, 2020
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	USD in million	₹ in crore	USD in million
															Supplementary information- convenience translation (See Note 2(C))		Supplementary information- convenience translation (See Note 2(C))
Freehold Land	151.66	–	–	(1.73)	(88.95)	**60.98**	–	–	–	–	–	–	–	**60.98**	**8.34**	151.66	20.07
Buildings	630.82	83.33	(0.14)	4.55	(52.66)	**665.90**	199.08	17.99	0.01	2.32	19.11	(23.71)	**214.80**	**451.10**	**61.70**	431.74	57.12
Plant and Equipment	2,500.63	213.03	(7.63)	22.57	(172.20)	**2,556.40**	1,265.51	131.63	(2.05)	16.64	123.37	(145.81)	**1,389.29**	**1,167.11**	**159.64**	1,235.12	163.42
Furniture and Fixtures	57.37	4.60	(0.03)	1.58	(0.48)	**63.04**	38.10	3.25	(0.02)	1.42	–	(0.48)	**42.27**	**20.77**	**2.84**	19.27	2.55
Vehicles	6.97	–	–	–	(0.31)	**6.66**	6.47	0.24	–	(0.01)	–	(0.31)	**6.39**	**0.27**	**0.04**	0.50	0.07
Office Equipment	45.43	1.74	(0.28)	1.34	(0.53)	**47.70**	27.29	4.02	(0.13)	0.93	–	(0.53)	**31.58**	**16.12**	**2.20**	18.14	2.40
Information Technology Equipments	90.51	5.94	(0.40)	0.43	(2.07)	**94.41**	90.25	3.85	(0.35)	0.11	–	(2.07)	**91.79**	**2.62**	**0.36**	0.26	0.03
Total	**3,483.39**	**308.64**	**(8.48)**	**28.74**	**(317.20)**	**3,495.09**	**1,626.70**	**160.98**	**(2.54)**	**21.41**	**142.48**	**(172.91)**	**1,776.12**	**1,718.97**	**235.12**	1,856.69	**245.66**
Capital work-in-progress (Refer Note 4.2 below)	**836.46**	**72.27**	**(296.42)**	**(9.49)**	**–**	**602.82**								**602.82**	**82.45**	836.46	**110.67**

Right of use assets

Particulars	Gross Block (At Cost)						Accumulated Depreciation							Net Block			
	As at April 01, 2020	Additions	Deductions/ Adjustments	Exchange gain/(loss)	Asset classified as held for sale (Refer note 38B)	As at March 31, 2021	As at April 01, 2020	Charge for the year	Deductions/ Adjustments (Refer Note 4.5)	Exchange gain/ (loss)	Impairment	Asset classified as held for sale (Refer note 38B)	As at March 31, 2021	As at March 31, 2021 (Refer Note 4.5)	As at March 31, 2021	As at March 31, 2020	As at March 31, 2020
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	USD in million	₹ in crore	USD in million
															Supplementary information- convenience translation (See Note 2(C))		Supplementary information- convenience translation (See Note 2(C))
Buildings	398.82	9.79	(4.11)	(0.44)	–	**404.06**	50.77	54.84	(2.14)	(0.09)	–	–	**103.38**	**300.68**	**41.12**	348.05	46.05
Plant and Equipment	–	29.02	–	–	–	**29.02**	–	2.90	–	–	–	–	**2.90**	**26.12**	**3.57**	–	–
Vehicles	2.33	–	–	–	–	**2.33**	0.99	0.87	–	–	–	–	**1.86**	**0.47**	**0.06**	1.34	0.18
Office Equipment	0.76	–	–	–	–	**0.76**	0.28	0.20	–	–	–	–	**0.48**	**0.28**	**0.04**	0.48	0.06
Leasehold Land	295.05	–	(0.74)	–	–	**294.31**	22.72	6.67	–	–	–	–	**29.39**	**264.92**	**36.23**	272.33	36.03
Total	**696.96**	**38.81**	**(4.85)**	**(0.44)**	**–**	**730.48**	**74.76**	**65.48**	**(2.14)**	**(0.09)**	**–**	**–**	**138.01**	**592.48**	**81.01**	622.20	**82.32**

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 38B)	**As at March 31, 2020**	As at April 01, 2019	Charge for the year (Refer Note 4.3)	Deductions/ Adjustments (Refer Note 4.5)	Exchange gain/ (loss)	Impairment	Asset classified as held for sale (Refer note 38B)	**As at March 31, 2020**	**As at March 31, 2020 (Refer Note 4.5)**	**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**	**₹ in crore**	**USD in million Supplementary information- convenience translation (See Note 2(C))**	₹ in crore	USD in million Supplementary information- convenience translation (See Note 2(C))
Freehold Land	153.25	–	–	4.92	(6.51)	**151.66**	–	–	–	–	–	–	**–**	**151.66**	**20.07**	153.25	22.14
Leasehold Land	–	–	–	–	–	**–**	–	–	–	–	–	–	**–**	**–**	**–**	–	–
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**
Capital work-in-progress (Refer Note 4.2 below)	**899.72**	**47.07**	**(151.17)**	**41.34**	**(0.50)**	**836.46**								**836.46**	**110.67**	899.72	**130.00**

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 38B)	**As at March 31, 2020**	As at April 01, 2019 (on account of transition to Ind AS 116)	Charge for the year	Deductions/ Adjustments (Refer Note 4.5)	Exchange gain/ (loss)	Impairment	Asset classified as held for sale (Refer note 38B)	**As at March 31, 2020**	**As at March 31, 2020 (Refer Note 4.5)**	**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**	**₹ in crore**	**USD in million Supplementary information- convenience translation (See Note 2(C))**	₹ in crore	USD in million Supplementary information- convenience translation (See Note 2(C))
Buildings	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**	–	**–**

Notes:

4.1- Exchange differences arising on long term foreign currency monetary items relating to depreciable asset adjusted in additions and deductions/adjustments above amounts to (₹ 2.94) crore (Previous year - ₹ 8.23 crore)

4.2 - Addition to Capital Work-In-Progress includes expenditure incurred during construction period pending allocation aggregating ₹ 6.37 crore (Previous year: ₹ 15.34 crore). These expenses include employee and material cost ₹ 0.59 crore (Previous year: ₹ 1.36 crore), Interest Cost ₹ 5.04 crore (Previous year: ₹ 11.87 crore) and Other operating cost ₹ 0.67 crore (Previous year: ₹ 2.12 crore). [Other operating cost includes repairs and maintenance ₹ 0.07 crore (Previous year: ₹ 0.15 crore), legal and professional charges ₹ 0.07 crore (Previous year: ₹ 0.08 crore) and Other general expenses ₹ 0.52 crore (Previous year: ₹ 1.89 crore)].

4.3- Depreciation pertaining to Discontinued operations included above ₹ Nil (Previous year - ₹ 1.56 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 ₹ 0.55 crore (Previous year ₹ 7.32 crore).

4.6 - During the year, the Company, based on its review of useful lives for certain fixed assets, being considered for calculation of depreciation, has revised the same and has accordingly provided for an additional depreciation of ₹ 8.05 crore.

5. GOODWILL ON CONSOLIDATION

Particulars	Gross Block (At Cost)					Accumulated Impairment					Net Block			
	As at April 01, 2020	Additions	Deductions/ Adjustments	Exchange Gain/(Loss)	**As at March 31, 2021**	As at April 01, 2020	Charge for the year	Deductions/ Adjustments	Exchange Gain/(Loss)	**As at March 31, 2021**	**As at March 31, 2021**	**As at March 31, 2021**	As at March 31, 2020	As at March 31, 2020
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	**₹ in crore**	₹ in crore	₹ in crore	₹ in crore	₹ in crore	**₹ in crore**	**₹ in crore**	**USD in million**	₹ in crore	USD in million
												Supplementary information-convenience translation (See Note 2(C))		Supplementary information-convenience translation (See Note 2(C))
Goodwill on consolidation	1,922.36	–	(1,047.17)	28.85	**904.04**	1,047.17	–	(1,047.17)	–	**–**	**904.04**	**123.65**	875.19	115.80

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
												Supplementary information-convenience translation (See Note 2(C))		Supplementary information-convenience translation (See Note 2(C))
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

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, 2021 ₹ in crore	As at March 31, 2020 ₹ in crore
Pinewood	**765.74**	738.32
	765.74	738.32

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

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

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

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

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

Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs. The discount rate is estimated based on the weighted average cost of capital for respective CGU or group of CGUs. Post-tax discount rates used was 10.67% (Previous year - 12.5%).

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, 2021 ₹ in crore	As at March 31, 2020 ₹ in crore
CP Pharmaceuticals	**54.82**	50.78
	54.82	50.78

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

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

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

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

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

Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs. The discount rate is estimated based on the weighted average cost of capital for respective CGU or group of CGUs. Post-tax discount rates used was 10.67% (Previous year - 12.5%).

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, 2021 ₹ in crore	As at March 31, 2020 ₹ in crore
Morton Grove	**83.48**	86.09
	83.48	86.09

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 8.75% (Previous year - 12.5%).

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, 2020	Additions/ Adjustments	Deductions/ Adjustments	Exchange Gain/ (Loss)	Asset classified as held for sale (Refer note 38B)	**As at March 31, 2021**	As at April 01, 2020	Charge for the year	Deductions/ Adjustments	Exchange Gain/ (Loss)	Asset classified as held for sale (Refer note 38B)	**As at March 31, 2021**	**As at March 31, 2021**	As at March 31, 2021	As at March 31, 2020	As at March 31, 2020
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	**₹ in crore**	₹ in crore	USD in million	₹ in crore	USD in million
														Supplementary information- convenience translation (See Note 2(C))		Supplementary information- convenience translation (See Note 2(C))
Brands/Trademarks/ Technical know-how	468.76	42.65	(80.36)	(9.07)	–	421.98	387.03	11.17	(62.40)	(7.39)	–	**328.41**	93.57	12.80	81.73	10.81
Computer software	131.81	3.67	(32.50)	1.00	–	103.98	65.33	8.39	(3.18)	(0.62)	–	**69.92**	34.06	4.66	66.48	8.80
Total	**600.57**	**46.32**	**(112.86)**	**(8.07)**	**–**	**525.96**	**452.36**	**19.56**	**(65.58)**	**(8.01)**	**–**	**398.33**	**127.63**	**17.46**	**148.21**	**19.61**
Intangible assets under Development	748.07	86.94	(31.73)	(27.16)	–	776.12							776.12	106.16	748.07	98.98

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 38B)	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 38B)	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
														Supplementary information- convenience translation (See Note 2(C))		Supplementary information- convenience translation (See Note 2(C))
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	545.76	143.50	(1.39)	60.20	–	748.07							748.07	98.98	545.76	78.86

7. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

Particulars	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million Supplementary information- convenience translation (See Note 2(C))
Investments carried at fair value through profit or loss				
Unquoted Equity Shares:				
443,482 (Previous year: 443,482) Equity Shares of Narmada Clean Tech Limited (formerly known as Bharuch Eco-Aqua Infrastructure Limited) of ₹ 10 each fully paid up	**0.44**	**0.06**	0.44	0.06
(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**	**0.00**	0.01	0.00
(Transaction Value: ₹ 0.01 Crore; Previous year: ₹ 0.01 Crore)				
Total	**0.45**	**0.06**	0.45	0.06
Aggregate book value of unquoted investments	**0.45**	**0.06**	0.45	0.06

8. NON-CURRENT FINANCIAL ASSETS - OTHERS

(Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million Supplementary information- convenience translation (See Note 2(C))
Margin money (under lien)	**0.82**	**0.11**	1.76	0.23
Deposit with maturity of more than 12 months (under Lien)	**0.12**	**0.02**	–	–
Security Deposits	**43.88**	**6.00**	44.26	5.86
(includes deposits with Related parties ₹ 37.73 crore (Previous year: ₹ 35.26 crore) - Refer Note 39				
Total	**44.82**	**6.13**	46.02	6.09

9. INCOME TAX

Tax recognised in profit or loss for continuing operations

	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2020 ₹ in crore
Current tax charge/(credit)	**(120.82)**	(48.42)
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	**(150.79)**	(150.26)
Recognition of previously unrecognised tax losses	**–**	(5.18)
Change in tax rate/tax laws	**–**	(3.91)
Deferred tax charge/(credit)	**(150.79)**	(159.36)
Tax charge/(credit) for the year	**(271.61)**	(204.09)

Tax recognised in profit or loss for discontinued operations

	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2020 ₹ in crore
Current tax charge/(credit)	**311.49**	50.80
Deferred tax charge/(credit), net		
Origination and reversal of temporary differences including Minimum Alternate Tax (MAT) credit entitlement	**187.37**	–
Deferred tax charge/(credit)	**187.37**	–
Tax charge/(credit) for the year	**498.86**	50.80

Tax recognised in other comprehensive income- continuing operations

	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2020 ₹ in crore
Items that will not be reclassified to profit or loss		
Remeasurement of the defined benefit plans -(charge)/credit	**4.47**	(3.45)
Total	**4.47**	(3.45)

Tax recognised in other comprehensive income- discontinued operations

	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2020 ₹ in crore
Items that will not be reclassified to profit or loss		
Remeasurement of the defined benefit plans -(charge)/credit	**0.01**	0.06
Total	**0.01**	0.06

Reconciliation of effective tax rate

	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2020 ₹ in crore
Profit/(Loss) before tax (a)	**915.85**	(196.68)
Tax using the Company's domestic tax rate (Current year - 34.944% and Previous year - 34.944%)	**320.04**	(68.73)
Differences in tax rates of foreign jurisdictions/tax status and intercompany adjustments	**(83.90)**	(37.98)
Current tax charge pertaining to earlier years	**–**	3.69
Impact of changes in tax rates/tax laws	**4.08**	(3.91)
Non-deductible tax expenses	**4.24**	17.30
Deferred tax asset not created on losses	**81.98**	1.13
Incremental deduction allowed for research and development costs	**(1.28)**	(12.53)
Recognition of previously unrecognised tax losses	**–**	(5.18)
Income not taxable for tax purposes	**(11.32)**	(4.81)
Remeasurement of opening deferred tax liability basis expected reversals at lower tax rate	**(30.05)**	–
Profit chargeable to/losses utilised at lower tax rate	**(57.36)**	–
Additional tax benefit due to change in tax laws	**–**	(47.30)
Other temporary differences	**0.82**	5.03
Tax expense as per profit or loss (b)	**227.25**	(153.29)
Effective average tax rate for the year (b)/(a)	**24.81%**	77.94%

Deferred tax assets and liabilities are attributable to the followings

	Deferred tax assets		Deferred tax liabilities	
	As at March 31, 2021 ₹ in crore	As at March 31, 2020 ₹ in crore	As at March 31, 2021 ₹ in crore	As at March 31, 2020 ₹ in crore
Property, Plant and Equipment	**(248.38)**	(275.46)	**(48.82)**	(48.57)
Unabsorbed losses	**218.62**	376.94	**–**	–
Unrealised profit on inventory/assets	**92.07**	15.25	**–**	–
Employee benefits	**12.43**	21.36	**–**	0.05
Deferred income/expenses	**21.99**	19.32	**–**	–
Additional tax benefit due to change in tax laws	**48.67**	50.31	**–**	–
Allowance for credit loss	**30.49**	44.82	**–**	0.02
Lease arrangement	**11.43**	8.57	**–**	–
Loans and Borrowings	**(0.91)**	(6.42)	**–**	–
Other items	**(4.62)**	7.70	**(0.87)**	(0.86)
Minimum Alternate Tax (MAT) credit entitlement	**215.71**	167.03	**21.24**	18.11
Deferred tax assets/(liabilities)	**397.50**	429.42	**(28.45)**	(31.25)
Deferred tax assets/(liabilities) (USD in million) Supplementary information- convenience translation (See Note 2(C))	**54.37**	56.82	**(3.89)**	(4.13)

Movement in deferred tax assets and liabilities

Particulars	Net balance April 01, 2020	Recognised in profit or loss	Recognised in Other Comprehensive Income	March 31, 2021		
				Net Deferred tax asset/ (liability)	Deferred tax asset	Deferred tax liability
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Deferred tax asset/(liabilities)						
Property, Plant and Equipment	(324.03)	23.85	2.98	**(297.20)**	**–**	**(297.20)**
Unabsorbed losses	376.94	(158.31)	–	**218.62**	**218.62**	**–**
Unrealised profit on inventory/assets	15.25	76.82	–	**92.07**	**92.07**	**–**
Employee benefits	21.41	(13.47)	4.48	**12.43**	**12.43**	**–**
Deferred income/expenses	19.32	2.67	–	**21.99**	**21.99**	**–**
Additional tax benefit due to change in tax laws	50.31	(1.64)	–	**48.67**	**48.67**	**–**
Allowance for credit loss	44.84	(14.35)	–	**30.49**	**30.49**	**–**
Lease arrangement	8.57	2.86	–	**11.43**	**11.43**	**–**
Loans and Borrowings	(6.42)	5.51	–	**(0.91)**	**–**	**(0.91)**
Other items	6.84	(12.33)	–	**(5.49)**	**–**	**(5.49)**
Tax assets/(Liabilities)	213.03	(88.39)	7.46	**132.10**	**435.70**	**(303.60)**
Minimum Alternate Tax (MAT) credit entitlement	185.14	51.81	–	**236.95**	**236.95**	**–**
Net tax assets/(Liabilities)	398.17	(36.58)	7.46	**369.05**	**672.65**	**(303.60)**
Net tax assets/(Liabilities) (USD in million) Supplementary information- convenience translation (See Note 2(C))	52.69	(5.00)	1.02	**50.49**	**92.00**	**(41.52)**

Particulars	Net balance April 01, 2019	Recognised in profit or loss	Recognised in Other Comprehensive Income	March 31, 2020		
				Net Deferred tax asset/ (liability)	Deferred tax asset	Deferred tax liability
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Deferred tax asset/(liabilities)						
Property, Plant and Equipment	(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	(3.39)	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 arrangement	–	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	(3.39)	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	(3.39)	398.17	728.62	(330.45)
Net tax assets/(Liabilities) (USD in million) Supplementary information- convenience translation (See Note 2(C))	35.00	21.09	(0.45)	52.69	96.40	(43.72)

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, 2021 amounts to ₹ 236.95 crore (Previous year: ₹ 185.14 crore). Based on existing contracts and future business prospects, it is probable that the said MAT credit and business loss will be availed in future years against the normal tax expected to be paid in those years.

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

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

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

v) Aggregate carried forward tax losses for which no deferred tax has been created amounted to ₹ 142.48 crore (Previous year - ₹ Nil). These tax losses are available for set off against future taxable profits over next 8 years.

10. OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million Supplementary information-convenience translation (See Note 2(C))	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million Supplementary information-convenience translation (See Note 2(C))
Capital Advances	**5.66**	**0.77**	4.52	0.60
Security Deposits (Refer note 10.1 below)	**13.15**	**1.80**	12.94	1.71
Other advances (Refer note 10.2 below)	**48.07**	**6.57**	49.96	6.61
Total	**66.88**	**9.14**	67.42	8.92

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

Note 10.1

Includes balances with Government and Semi-Government authorities amounting ₹ 11.02 crore (Previous year - ₹ 11.08 crore)

Note 10.2

Includes balances with Government authorities amounting ₹ 47.03 crore (Previous year - ₹ 49.29 crore)

11. INVENTORIES

Particulars	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million Supplementary information-convenience translation (See Note 2(C))	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million Supplementary information-convenience translation (See Note 2(C))
Raw Materials, packing materials and components	**226.47**	**30.97**	261.54	34.6
Goods-in-transit	**6.70**	**0.92**	5.69	0.75
	233.17	**31.89**	267.23	35.35
Work-in-progress	**45.21**	**6.18**	75.85	10.04
Stock-in-trade	**142.56**	**19.50**	85.32	11.29
Finished goods	**285.57**	**39.06**	192.63	25.49
Stores and spares	**92.37**	**12.63**	68.80	9.10
Total	**798.88**	**109.26**	689.83	91.27

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 ₹ 49.82 crore (Previous year: ₹ -4.21 crore). These have been recognised as an expense during the year and these provisions are included in cost of materials consumed or changes in inventory of finished goods, work-in-progress and stock-in-trade. The aforesaid balance includes balance pertaining to discontinued operations refer Note 38 ₹ -1.21 crore (Previous year- ₹ 0.19 crore)

12. CURRENT FINANCIAL ASSETS-TRADE RECEIVABLES

Particulars	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million Supplementary information-convenience translation (See Note 2(C))	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million Supplementary information-convenience translation (See Note 2(C))
Unsecured, considered good	**979.87**	**134.02**	1,328.62	175.79
Less: Allowance for credit loss	**(62.22)**	**(8.51)**	(85.93)	(11.37)
Unsecured considered doubtful	**94.45**	**12.92**	94.48	12.50
Total	**1,012.10**	**138.43**	1,337.17	176.92
Less: Provisions for Doubtful Debts	**(94.45)**	**(12.92)**	(94.48)	(12.50)
Total	**917.65**	**125.51**	1,242.69	164.42

Trade receivables include dues from private companies in which any director is a director or a member ₹ 2.48 crore (Previous year: ₹ 2.26 crore). [Also refer Note 42 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, 2021 ₹ in crore	As at March 31, 2021 USD in million Supplementary information-convenience translation (See Note 2(C))	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million Supplementary information-convenience translation (See Note 2(C))
Bank balances				
In current accounts	**232.15**	**31.75**	219.29	29.01
Cash on hand	**0.10**	**0.01**	0.05	0.01
	232.25	**31.76**	219.34	29.02

13.2 CURRENT FINANCIAL ASSETS-OTHER BANK BALANCES

In current accounts (balances subject to restrictions under Business transfer agreement)	**2.00**	**0.27**	–	–
Deposits with original maturity of less than 3 months (under lien/balances subject to restrictions under Business transfer agreement)	**2.21**	**0.30**	–	–
Deposits with original maturity of more than 3 months but less than 12 months (under lien - ₹ 0.31 crore; Previous year:₹ Nil)	**0.32**	**0.04**	0.01	–
Deposits with original maturity equal to 12 months (under lien - ₹ Nil; Previous year: ₹ 0.01 crore)	**5.43**	**0.74**	0.01	–
Deposits with original maturity of more than 12 months (under lien)	**45.46**	**6.22**	45.71	6.05
Margin money (under lien)	**2.42**	**0.33**	1.16	0.15
Unpaid dividend accounts	**1.70**	**0.23**	2.23	0.30
Total	**59.54**	**8.13**	49.12	6.50

14. CURRENT FINANCIAL ASSETS-OTHERS

(Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million Supplementary information-convenience translation (See Note 2(C))	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million Supplementary information-convenience translation (See Note 2(C))
Deposits and other receivables	**33.18**	**4.54**	8.85	1.17
Total	**33.18**	**4.54**	8.85	1.17

15. OTHER CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million Supplementary information-convenience translation (See Note 2(C))	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million Supplementary information-convenience translation (See Note 2(C))
Advances to suppliers (Refer note 15.1 below)	**32.27**	**4.42**	22.04	2.92
Balances with/receivable from statutory/government authorities	**167.59**	**22.92**	99.31	13.13
Other advances (Refer note 15.2 below)	**38.73**	**5.30**	42.01	5.56
Total	**238.59**	**32.64**	163.36	21.61

Note 15.1

Advances to suppliers include dues from private companies in which any director is a director or a member ₹ 0.58 crore (Previous year: ₹ 0.49 crore).

Note 15.2

Other advances includes inventory of Saleable goods ₹ 0.89 crore (Previous year: ₹ 5.23 crore).

Further the above balances are net of provisions amounting ₹ 25.44 crore (Previous year- ₹ 25.14 crore)

16. EQUITY SHARE CAPITAL

(a) Authorised share capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	₹ in crore	USD in million	₹ in crore	USD in million
		Supplementary information-convenience translation (See Note 2(C))		Supplementary information-convenience translation (See Note 2(C))
250,000,000 (Previous Year - 250,000,000) Equity shares of ₹ 5/- each	**125.00**	**17.10**	125.00	16.54
	125.00	**17.10**	125.00	16.54

(b) Issued, Subscribed and Paid up

Particulars	As at March 31, 2021			As at March 31, 2020		
	No. of Shares	₹ in crore	USD in million	No. of Shares	₹ in crore	USD in million
			Supplementary information-convenience translation (See Note 2(C))			Supplementary information-convenience translation (See Note 2(C))
Equity:						
Outstanding as at the beginning of the year	**110,735,003**	55.37	7.57	110,686,203	55.34	7.32
Add: Shares issued during the year pursuant to ESOS	**46,150**	0.02	0.00	48,800	0.03	0.00
Outstanding as at the end of the year	**110,781,153**	55.39	7.57	110,735,003	55.37	7.32

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:**

553,500 (Previous year - 621,250) 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, 2021		As at March 31, 2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Themisto Trustee Company Private Limited which holds these shares in its capacity as the trustee of Habil Khorakiwala Trust which in turn holds these shares in its capacity as the partner of the partnership firm Humuza Consultants.*	**60,495,957**	**54.61%**	60,497,757	54.63%

* includes 14,950,000 Equity Shares (Previous year - 29,650,000) pledged

17. NON-CURRENT FINANCIAL LIABILITY-BORROWINGS

Particulars	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million
		Supplementary information-convenience translation (See Note 2(C))		Supplementary information-convenience translation (See Note 2(C))
Secured				
Term loans				
from banks/financial institutions (Refer Note 17.1 to 17.4 below)	**500.19**	**68.41**	1,237.44	163.73
	500.19	**68.41**	1,237.44	163.73
Unsecured				
Loans from Department of Science and Technology, Government of India ['GOI'] (Refer note 17.5 below)	**2.66**	**0.36**	3.46	0.46
Total	**502.85**	**68.77**	1,240.90	164.19

Note 17.1

The term loan of USD 30.00 million (Previous year - USD 40.00 million) amounting to ₹ 219.35 crore (Previous year - ₹ 302.32 crore) is secured by first charge on pari passu basis on fixed assets, present and future, located at all locations other than Units at Kadaiya in Daman. This term loan carries interest rate of 6 months USD LIBOR plus 325 BPS p.a. and is repayable in 6 equal quarterly instalments by July 2022.

The term loan of ₹ 100.00 crore (Previous year - ₹ 125.00 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 Kadaiya in Daman. This term loan carries interest rate at Bank Base Rate plus 75 BPS p.a. and is repayable in 4 equal half yearly instalments by December 2022.

The term loan of ₹ 95.13 Crore (Previous year - ₹ 150.00 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 Kadaiya in Daman.This term loan carries interest rate at One Year's MCLR plus 185 BPS p.a and is repayable in 7 equal quarterly instalments and Interest pertaining to Covid Moratorium Period (₹ 7.63 crore) will be served in 2 parts along with last 2 Instalments by December 2022.

Further, the term loan of ₹ 130.00 Crore (Previous year - ₹ 160.00 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 Kadaiya in Daman. This term loan carries interest rate at One Year's MCLR plus 110 BPS and is repayable in 13 equal quarterly instalments by June 2024.

Note 17.2

Term loan availed by Wockhardt France (Holdings) S.A.S. of Nil (Previous year: Euro 13.64 million) amounting to ₹ Nil (Previous year: ₹ 112.97 crore) is secured by pledge of shares of Negma Group of companies. The loan carried interest of 6 months EURO LIBOR plus 175 BPS p.a. and was fully repaid.

Note 17.3

Term Loan availed by Pinewood Laboratories Limited of Euro 33.25 million (Previous year: Euro 35 million) amounting to ₹ 285.61 crore (Previous year: ₹ 289.87 crore) is secured by:

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

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

The loan carries an interest of 3 months EURIBOR + Cash Margin 7% p.a. (3 months EURIBOR floor of 0.50%) and is repayable in 8 equal half yearly instalments of Euro 1.75 million each commencing from December 2020 and balance outstanding in June 2025.

Note 17.4

Term Loan availed by Wockhardt Bio AG of USD 62.50 million (Previous year: USD 125.00 million) amounting to ₹ 456.90 crore (Previous year : ₹ 944.75 crore) is secured as under:

(i) First ranking charge on fixed assets (excluding Intangible assets) and current assets of Wockhardt Bio AG and its subsidiaries (except Wockpharma Ireland Ltd. and its Subsidiaries and Wockhardt France (Holdings) S.A.S. and its Subsidiaries)

(ii) First ranking charge on fixed assets of Wockhardt Limited situated at Kadaiya in Daman and on Fixed Deposits of ₹ 45 crore (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 2 equal half yearly installments by March 2022.

Note 17.5

Loans from GOI carry interest rate of 3% p.a. Loan amounting ₹ 0.42 crore (Previous year : ₹ 0.85 crore) is repayable by October 2021 and balance ₹ 3.42 crore (Previous year : ₹ 3.80 crore) is repayable in equal annual instalments by March 2029.

Note 17.6

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

18. PROVISIONS (NON-CURRENT)

Particulars	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million Supplementary information- convenience translation (See Note 2(C))
Provision for employee benefits (Refer note 35)				
Leave encashment (unfunded)	**12.59**	**1.72**	15.71	2.08
Gratuity (unfunded)	**20.60**	**2.82**	24.17	3.20
Provision for pension/other benefits	**–**	**–**	5.72	0.76
Provision for claims	**51.18**	**7.00**	–	–
Total	**84.37**	**11.54**	45.60	6.04

19. CURRENT FINANCIAL LIABILITIES - BORROWINGS

Particulars	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million Supplementary information-convenience translation (See Note 2(C))	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million Supplementary information-convenience translation (See Note 2(C))
SECURED				
Loans repayable on demand				
Working capital facilities from banks (Refer Note 19.1 below)	**574.47**	**78.57**	558.19	73.85
Buyers' credit/Supplier's credit (Refer Note 19.2 below)	**19.69**	**2.69**	9.56	1.26
Unsecured				
Loan from related party (Refer Note 19.4 below)	**471.95**	**64.55**	236.27	31.26
Preference shares (Refer Note 21.1)	**–**	**–**	99.84	13.21
Total	**1,066.11**	**145.81**	903.86	119.58

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 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 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 rate of 8.5% p.a to 9.5% p.a are repayable on demand and subject to rollover by mutual consent.

20. CURRENT FINANCIAL LIABILITY-TRADE PAYABLES

Particulars	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million Supplementary information-convenience translation (See Note 2(C))	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million Supplementary information-convenience translation (See Note 2(C))
Trade payables				
Total outstanding dues of micro enterprises and small enterprises	**22.21**	**3.04**	34.89	4.62
Total outstanding dues of creditors other than micro enterprises and small enterprises	**555.76**	**76.01**	860.38	113.84
Total	**577.97**	**79.05**	895.27	118.46
The carrying amount of trade payables as at reporting date approximates fair value				
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	**22.21**	**3.04**	34.89	4.62
b) Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	**1.44**	**0.20**	0.11	0.01
c) Payment made to suppliers (other than interest) beyond the appointed day during the year	**49.12**	**6.72**	10.01	1.32
d) Interest paid to suppliers under MSMED Act (Section 16)	**–**	**–**	–	–
e) Interest due and payable towards suppliers under MSMED Act for payments already made	**13.75**	**1.88**	13.64	1.80
f) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (including interest mentioned in (e) above)	**15.19**	**2.08**	13.75	1.82

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, 2021 ₹ in crore	As at March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million Supplementary information- convenience translation (See Note 2(C))
Current maturities of long-term debt (Refer note 17 and 21.1 below)	**762.77**	**104.32**	1,068.47	141.37
Unpaid dividends	**1.70**	**0.23**	2.23	0.30
Other payables				
Security Deposit	**14.37**	**1.97**	19.64	2.60
Employee liabilities	**113.97**	**15.59**	146.95	19.44
Payable for capital goods	**21.64**	**2.96**	19.46	2.57
Others liabilities (includes interest under MSMED Act referred in Note 20.1)	**194.20**	**26.56**	131.18	17.36
Total	**1,108.65**	**151.63**	1,387.93	183.64

21.1 Preference share

Note 21.1 (i) Details of preference share:

	As at March 31, 2021 No. of Shares	As at March 31, 2020 No. of Shares
AUTHORISED		
Preference shares of ₹ 5/- each	2,000,000,000	2,000,000,000
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	160,000,000
Less: Shares redeemed during the year	(160,000,000)	–
Shares outstanding as at the end of the year.	–	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	500,000,000
Less: Shares redeemed during the year	(500,000,000)	–
Shares outstanding as at the end of the year	–	500,000,000

Note 21.1 (ii)

During the previous year ended March 31, 2020, the Company had 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. was payable for the extended period upto the date of redemption on the redemption value. The entire preference shares have been redeemed on October 19, 2020.

Also Refer Note 19.

Note 21.1 (iii)

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 ₹ 250.00 crore in accordance with the approval of the Shareholders of the Company obtained on December 14, 2018. These preference shares have been redeemed on October 19, 2020.

22. OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million Supplementary information- convenience translation (See Note 2(C))
Payable for statutory dues	**69.71**	**9.53**	85.23	11.28
Advance received from customers against supplies	**24.61**	**3.37**	32.71	4.33
Deferred revenue	**79.85**	**10.92**	–	–
Total	**174.17**	**23.82**	117.94	15.61

23. PROVISIONS (CURRENT)

Particulars	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million Supplementary information- convenience translation (See Note 2(C))
Provision for employee benefits (Refer note 35)				
Leave Encashment (unfunded)	**4.96**	**0.68**	4.18	0.55
Gratuity (unfunded)/Pension and other benefits	**7.39**	**1.01**	1.83	0.24
	12.35	**1.69**	6.01	0.79
Other provisions				
Provision for sales return (Refer note 23.1 below)	**23.42**	**3.20**	47.95	6.34
Provision for medicaid rebates (Refer note 23.2 below)	**24.02**	**3.29**	63.32	8.38
Total	**59.79**	**8.18**	117.28	15.51
Note 23.1				
Movement of provision for sales return				
Opening Balance	**47.95**	**6.56**	29.88	3.95
Recognised during the year	**23.66**	**3.24**	52.82	6.99
Utilised during the year	**(47.78)**	**(6.53)**	(36.18)	(4.79)
Foreign currency translation	**(0.41)**	**(0.07)**	1.43	0.19
Closing Balance	**23.42**	**3.20**	47.95	6.34

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

Note 23.2				
Movement of provision for Medicaid rebates				
Opening Balance	**63.32**	**8.66**	47.29	6.26
Recognised during the year	**66.84**	**9.14**	40.04	5.30
Utilised during the year	**(104.59)**	**(14.30)**	(29.06)	(3.84)
Foreign currency translation	**(1.55)**	**(0.21)**	5.05	0.66
Closing Balance	**24.02**	**3.29**	63.32	8.38

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 37)

Particulars	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2020 USD in million Supplementary information- convenience translation (See Note 2(C))
Sale of products	**2,691.45**	**368.11**	2,819.34	373.03
Sale of services	**3.72**	**0.51**	0.04	0.01
Sale of intellectual property	**4.04**	**0.55**	13.65	1.81
Other operating income - export incentives	**9.09**	**1.24**	10.96	1.45
Total	**2,708.30**	**370.41**	2,843.99	376.30

25. OTHER INCOME

Particulars	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2020 USD in million Supplementary information- convenience translation (See Note 2(C))
Interest income	**20.56**	**2.81**	9.99	1.32
Dividend received*	**–**	**–**	–	–
* ₹ 14,569 (Previous year- ₹ 12,600)				
Other non-operating income (Refer note below)	**111.71**	**15.28**	28.82	3.81
Total	**132.27**	**18.09**	38.81	5.13

Note:

Other non-operating income includes:

(a) Liabilities no longer required written back of ₹ 14.67 crore (Previous year: ₹ 20.77 crore).

(b) Gain on selling of trademarks and marketing authorisation rights of subsidiaries of ₹ 94.70 crore (Previous year: ₹ Nil)

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

Particulars	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2020 USD in million Supplementary information- convenience translation (See Note 2(C))
Opening Inventories				
Finished goods	**192.63**	**26.35**	255.17	33.76
Stock in trade	**85.32**	**11.67**	149.12	19.73
Work-in-progress	**75.85**	**10.37**	50.90	6.73
Less: Discontinued operation	**–**	**–**	(22.13)	(2.93)
Add: Inventory for Saleable Returns	**5.23**	**0.72**	–	–
Total	**359.03**	**49.11**	433.06	57.29
Closing Inventories				
Finished goods	**297.21**	**40.65**	192.63	25.49
Stock in trade	**142.56**	**19.50**	85.32	11.29
Work-in-progress	**45.21**	**6.18**	75.85	10.04
Add: Inventory for Saleable Returns	**0.89**	**0.12**	5.23	0.69
Total	**485.87**	**66.45**	359.03	47.51
(Increase)/Decrease in Inventories	**(126.84)**	**(17.34)**	74.03	9.78

27. EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2020 USD in million Supplementary information- convenience translation (See Note 2(C))
Salaries and wages (Refer note 35)	**665.35**	**91.00**	646.63	85.56
Contribution to provident and other funds (Refer note 35)	**67.88**	**9.28**	67.65	8.95
Share based payments to employees (Refer note 36)	**1.75**	**0.24**	2.26	0.30
Staff welfare expenses	**27.97**	**3.83**	26.79	3.54
Total	**762.95**	**104.35**	743.33	98.35

28. FINANCE COSTS

Particulars	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2020 USD in million Supplementary information- convenience translation (See Note 2(C))
Interest expense				
On term loan	**132.26**	**18.09**	184.23	24.38
On lease liabilities	**32.62**	**4.46**	34.36	4.55
Others	**97.79**	**13.37**	98.51	13.03
Other borrowing costs	**5.84**	**0.80**	5.58	0.74
Net loss on foreign currency transactions and translation	**0.14**	**0.02**	0.52	0.07
	268.65	**36.74**	323.20	42.77
Less: Finance costs capitalised*	**(19.57)**	**(2.68)**	(47.46)	(6.28)
*weighted average capitalisation rate- 2.41% (Previous year: 5.02%)				
Total	**249.08**	**34.06**	275.74	36.49

29. OTHER EXPENSES

Particulars	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2020 USD in million Supplementary information- convenience translation (See Note 2(C))
Traveling and conveyance	**19.26**	**2.63**	37.41	4.95
Freight and forwarding charges	**79.53**	**10.88**	78.72	10.42
Sales promotion and other selling cost	**29.37**	**4.02**	35.33	4.67
Commission on sales	**22.72**	**3.11**	27.13	3.59
Power and fuel	**82.37**	**11.27**	85.41	11.30
Stores and spare parts consumed	**50.80**	**6.95**	39.26	5.19
Chemicals	**18.94**	**2.59**	14.35	1.90
Rent (Refer note 39)	**30.17**	**4.13**	27.05	3.58
Rates and taxes	**65.67**	**8.98**	18.78	2.48
Repairs to buildings	**5.51**	**0.75**	4.56	0.60
Repairs to Plant and machinery	**28.85**	**3.95**	22.31	2.95
Repairs and Maintenance - others	**40.24**	**5.50**	36.70	4.86
Insurance	**29.99**	**4.10**	22.37	2.96
Legal and professional fees	**105.31**	**14.40**	80.03	10.59
Directors' sitting fees (Refer note 39)	**0.93**	**0.13**	0.91	0.12
Material for test batches	**7.51**	**1.03**	3.72	0.49
Allowance for credit loss	**(21.16)**	**(2.89)**	27.80	3.68
Bad Debts	**25.74**	**3.52**	4.16	0.55
Miscellaneous expenses (Refer Note 47 and Note 48)	**248.68**	**34.01**	233.45	30.89
Total	**870.43**	**119.06**	799.45	105.77

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, 2021 ₹ in crore	For the year ended March 31, 2021 USD in million Supplementary information-convenience translation (See Note 2(C))	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2020 USD in million Supplementary information-convenience translation (See Note 2(C))
Loss attributable to equity holders of the Company from Continuing Operations	**(299.27)**	**(40.97)**	(163.78)	(21.67)
Profit attributable to equity holders of the Company from Discontinued Operations	**985.33**	**134.77**	94.56	12.51
Profit/(loss) attributable to equity holders of the Company	**686.06**	**93.80**	(69.22)	(9.16)

Reconciliation of number of equity shares

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2020
Weighted average number of shares in calculating Basic EPS	**110,752,502**		110,718,437	
Add: Weighted average number of shares under ESOS	**479,264**		491,427	
Total	**111,231,766**		111,209,864	
Earnings per share (face value ₹ 5/- each) from Continuing operations				
Earnings per share - Basic in ₹/USD	**(27.02)**	**(0.37)**	(14.79)	(0.20)
Earnings per share - Diluted in ₹/USD	**(27.02)**	**(0.37)**	(14.79)	(0.20)
Earnings per share (face value ₹ 5/- each) from Discontinued operations				
Earnings per share - Basic in ₹/USD	**88.97**	**1.22**	8.54	0.11
Earnings per share - Diluted in ₹/USD	**88.58**	**1.21**	8.50	0.11
Earnings per share (face value ₹ 5/- each)				
Earnings per share - Basic in ₹/USD	**61.95**	**0.85**	(6.25)	(0.08)
Earnings per share - Diluted in ₹/USD	**61.68**	**0.84**	(6.25)	(0.08)

31. During the year ended March 31, 2021, the Company reassessed the commercial prospects of the Nutrition Business and decided not to pursue it in near future and therefore, the Nutrition Business assets were classified as assets held for disposal and an impairment loss of ₹ 142.48 crore has been recognised under the head 'Exceptional items - Continuing Operations'. Further the aforesaid business assets have been classified as ' Assets held for disposal' as disclosed in Note 4 & 38 amounting to ₹ 144.29 crore.

32. 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, 2021 ₹ in crore	For the year ended March 31, 2021 USD in million Supplementary information-convenience translation (See Note 2(C))	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2020 USD in million Supplementary information-convenience translation (See Note 2(C))
External revenue from continuing operation in the above reportable business segment	**2,708.30**	**370.41**	2,843.99	376.30

Information about geographical areas:

a) Revenue from continuing operation from external customers:

	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2021 USD in million Supplementary information-convenience translation (See Note 2(C))	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2020 USD in million Supplementary information-convenience translation (See Note 2(C))
India	**426.28**	**58.30**	402.38	53.25
USA	**444.09**	**60.74**	733.60	97.06
Europe	**1,281.12**	**175.22**	1,161.24	153.64
Rest of the world and Commonwealth of Independent States	**556.81**	**76.15**	546.77	72.35
Total	**2,708.30**	**370.41**	2,843.99	376.30

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

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

	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million Supplementary information-convenience translation (See Note 2(C))	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million Supplementary information-convenience translation (See Note 2(C))
India	**2,086.17**	**285.33**	2,505.74	331.53
USA	**394.16**	**53.91**	422.48	55.90
Europe	**2,014.73**	**275.56**	1,932.30	255.66
Rest of the world and Commonwealth of Independent States	**293.88**	**40.19**	293.72	38.87
Total	**4,788.94**	**654.99**	5,154.24	681.95

c) Information about major customer:

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

33. 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:

	As at March 31, 2021 ₹ in crore	As at March 31, 2020 ₹ in crore
Non -current portion	**278.55**	306.52
Current	**62.67**	62.51
Total	**341.22**	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 ₹ 0.76 crore (Previous year: ₹ 0.35 crore) and rent for low value assets amounting to ₹ 0.54 crore (Previous year: ₹ 0.50 crore) have been included under Note 29 - Other expenses under Rent.

Further, Refer Note 42 for maturity profile of lease liabilities.

34. EXPENDITURE ON RESEARCH AND DEVELOPMENT

	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2021 USD in million	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2020 USD in million
		Supplementary information- convenience translation (See Note 2(C))		Supplementary information- convenience translation (See Note 2(C))
Capital*	**92.99**	**12.72**	146.02	19.32
Revenue	**172.45**	**23.59**	208.09	27.53
	265.44	**36.31**	354.11	46.85

*Including Intangible Assets under Development

35. 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, 2021 Gratuity (Non-funded) ₹ in crore	For the year ended March 31, 2020 Gratuity (Non-funded) ₹ in crore
I. Expenses recognised in Profit or Loss:		
1. Current Service Cost	**3.03**	3.24
2. Interest cost	**1.66**	2.16
3. Past service cost	**–**	–
Total Expenses (1)	**4.69**	5.40
(1) balances pertaining to discontinued operations: Gratuity ₹ 0.44 crore (Previous year- ₹ 1.79 crore)		
II. Expenses 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	**0.33**	(5.25)
3. Actuarial changes arising from changes in experience adjustments	**0.14**	(0.20)
Total Expenses (@)	**0.47**	(5.85)
@ balances pertaining to discontinued operations: Gratuity ₹ 0.04 crore (Previous year- ₹ 0.17 crore)		

(A)	Particulars	For the year ended March 31, 2021 Gratuity (Non-funded) ₹ in crore	For the year ended March 31, 2020 Gratuity (Non-funded) ₹ in crore
III.	**Net Asset/(Liability) recognised as at balance sheet date:**		
	1. Present value of defined benefit obligation	**27.99**	32.95
	Net Asset/(Liability) *	**(27.99)**	(32.95)
	* includes Balance pertaining to discontinued operations classified as Liabilities held for sale ₹ 6.95 crore in previous year		
IV.	**Reconciliation of Net Asset/(Liability) recognised as at balance sheet date:**		
	1. Net Asset/(Liability) at the beginning of year	**(32.95)**	(37.62)
	2. Expense as per (I) & (II) above	**(5.16)**	0.45
	3. Net transfer out due to discontinuance of Domestic business	**7.42**	–
	4. Benefit paid	**2.70**	4.22
	5. Net asset/(liability) at the end of the year	**(27.99)**	(32.95)
V.	**Maturity profile of defined benefit obligation**		
	1. Within the next 12 months (next annual reporting period)	**7.39**	14.64
	2. Between 2 and 5 years	**15.26**	14.29
	3. Between 6 and 10 years	**8.47**	7.80
VI.	**Quantitative sensitivity analysis for significant assumptions is as below:**		
	1. Increase/(decrease) on present value of defined benefit obligation at the end of the year		
	(i) One percent point increase in discount rate	**(0.49)**	(0.59)
	(ii) One percent point decrease in discount rate	**0.51**	0.59
	(iii) One percent point increase in rate of salary increase	**0.48**	0.57
	(iv) One percent point decrease in rate of salary increase	**(0.46)**	(0.57)
	(v) One percent point increase in attrition rate	**0.13**	0.13
	(vi) One percent point decrease in attrition rate	**(0.15)**	(0.18)
	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	**5.70%**	6.00%
	2. Expected rate of salary increase	**3.00% p.a**	4.00% p.a for next 1 years & 3.00% p.a thereafter
	3. Attrition rate	**35% at lower service reducing to 16% at higher service**	35% at lower service reducing to 16% at higher service
	4. Mortality	**Age 20 years- 0.09%; Age 30 years- 0.10%; Age 40 years- 0.17% Age 50 years- 0.44% Age 60 years- 1.12%**	Age 20 years- 0.09%; Age 30 years- 0.10%; Age 40 years- 0.17% Age 50 years- 0.44% Age 60 years- 1.12%

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

Gratuity ₹ 4.69 Crore (Previous year - ₹ 5.40 crore) and Leave encashment ₹ 3.20 crore (Previous year - ₹ 5.22 crore)

(The above balances include balances pertaining to discontinued operations: Gratuity ₹ 0.44 crore (Previous year- ₹ 1.79 crore); Leave encashment ₹ 0.95 crore (Previous year - ₹ 4.00 crore)

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

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

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

(B) Defined contribution plan:

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

Amount recognised as an expense in the Statement of Profit and Loss - included in Note 27 - Contribution to provident and other funds:

Particulars	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2020 ₹ in crore
Provident fund	**10.67**	17.87
Others (Employee State insurance and other funds)	**0.46**	2.24
Total	**11.13**	20.11

Amount pertaining to discontinued operations mentioned in Note 38 ₹ 1.07 crore (Previous year- ₹ 5.67 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 ₹ 10.33 crores (Previous year: ₹ 8.23 crores). The outstanding pensions creditor is ₹ 1.49 crore (Previous year: ₹ 1.19 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, 2021 ₹ in crore	As at March 31, 2020 ₹ in crore
Present value of defined benefit obligations	**(472.55)**	(367.24)
Fair value of plan assets	**504.48**	378.43
	31.93	11.19
Less: Restriction to the amount that can be recognised	**(31.93)**	(11.19)
	–	–

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

	As at March 31, 2021 ₹ in crore	As at March 31, 2020 ₹ in crore
Defined benefit obligation, beginning of the year	**367.24**	380.72
Interest expense	**8.31**	9.07
Benefits paid	**(10.77)**	(6.04)
Remeasurements: Actuarial gains and losses	**78.16**	(30.26)
Past service costs including curtailments	**0.45**	–
Foreign currency translation	**29.17**	13.75
Defined benefit obligation, end of the year	**472.56**	367.24

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

	As at March 31, 2021 ₹ in crore	As at March 31, 2020 ₹ in crore
Fair value of plan assets, beginning of the year	**378.43**	373.03
Interest income	**8.80**	9.08
Benefits paid	**(10.77)**	(6.04)
Contributions by employer	**21.56**	16.34
Remeasurements: Actuarial gains and losses	**75.65**	(28.04)
Foreign currency translation	**30.81**	14.06
Fair value of plan assets, end of the year	**504.48**	378.43

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

	As at March 31, 2021 ₹ in crore	As at March 31, 2020 ₹ in crore
Recognised in profit or loss:		
Net interest/(income) expense	**(0.49)**	(0.01)
	(0.49)	(0.01)
Recognised in other comprehensive income:		
Remeasurements actuarial gains and losses on fair value of plan asset	**(75.65)**	28.04
Remeasurements actuarial gains and losses on define benefit obligation	**78.16**	(30.26)
Remeasurements gains and losses- changes to the restriction on the amount that can be recognised.	**20.31**	11.19
Remeasurement of the net defined benefit plan	**22.82**	8.97

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

	As at March 31, 2021 %	As at March 31, 2020 %
Equity instruments	**48.10**	46.90
Debt instruments	**10.20**	10.00
Annuity policy	**17.90**	21.00
Other assets	**23.80**	22.10

The return on plan assets are as follows:

	As at March 31, 2021 ₹ in crore	As at March 31, 2020 ₹ in crore
Interest income	**8.80**	9.08
Remeasurements: Actuarial gains and losses	**75.65**	(28.04)
Return on assets of benefit plan	**84.45**	(18.96)

The principal actuarial assumptions as at Balance Sheet date were:

	As at March 31, 2021 %	As at March 31, 2020 %
Discount rate	**1.95**	2.20
Expected rate of increase in salary	**3.30**	2.60
Inflation rate	**2.55**	1.60
Mortality rates		
Current pensioners at 65 - male	**21.50**	21.40
Current pensioners at 65 - female	**24.00**	23.80
Future pensioners at 65 - male	**22.60**	22.50
Future pensioners at 65 - female	**25.10**	25.00

	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2020 ₹ 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	**68.22**	53.48
(ii) One percent point decrease in discount rate	**(90.38)**	(70.94)
(iii) One percent point increase in inflation rate	**(69.03)**	(64.34)
(iv) One percent point decrease in inflation rate	**56.63**	49.55

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.

36. 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 6 months from the date of grant, and can be exercised during such period not exceeding 7 years.

Employee stock option activity under Scheme 2011 is as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Outstanding at beginning of the year	**621,250**	599,300
(b) Granted during the year	**–**	76,000
(c) Lapsed during the year (re -issuable) *	**21,600**	5,250
(d) Exercised during the year *	**46,150**	48,800
(e) Outstanding at the end of the year:	**553,500**	621,250
of which Options vested and exercisable at the end of the year	**402,100**	428,350
* weighted average exercise price ₹ 5 per share		
Range of weighted average share price on the date of exercise per share	**₹ 299.82 - ₹ 528.69**	₹ 263.00 - ₹ 393.35
Weighted average share price for the period	**352.21**	311.61
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, 2021	For the year ended March 31, 2020
Net profit as reported in Statement of Profit and Loss (from continuing operations)	**(299.27)**	(163.78)
Basic earnings per share as reported (₹)	**(27.02)**	(14.79)
Diluted earnings per share as reported (₹)	**(27.02)**	(14.79)
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	**5.80% - 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	**0.2 years - 11.97 years**	1.01 years - 8.03 years

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

37. REVENUE:

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

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

Rebates, discounts, commissions, chargeback, 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, 2021 ₹ in crore	For the year ended March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2020 USD in million Supplementary information- convenience translation (See Note 2(C))
Total revenue from Customers	**2,699.21**	**369.17**	2,833.03	374.85
Other Operating income	**9.09**	**1.24**	10.96	1.45
Total	**2,708.30**	**370.41**	2,843.99	376.30

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, 2021 ₹ in crore	For the year ended March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2020 USD in million Supplementary information- convenience translation (See Note 2(C))
Total Gross revenue, net of estimated returns and medicate rebate as refered in Note 23	**4,627.97**	**632.97**	5,637.10	745.86
Less: Discounts, rebates, chargeback, service level penalty and other adjustments	**(1,928.76)**	**(263.80)**	(2,804.07)	(371.01)
Revenue from contract with customers	**2,699.21**	**369.17**	2,833.03	374.85
Other Operating income	**9.09**	**1.24**	10.96	1.45
Total	**2,708.30**	**370.41**	2,843.99	376.30

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

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

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

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

The profit from aforesaid Transfer of Business Undertaking (excluding the Holdback Amount of ₹ 300 crore) amounting to ₹ 1,470.32 crore has been shown as 'Exceptional Items - discontinued operations'.

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

	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2020 USD in million Supplementary information- convenience translation (See Note 2(C))
Revenue including other income	**53.74**	**7.35**	481.16	63.66
Expenses	**39.87**	**5.45**	335.80	44.43
Profit before exceptional items and tax	**13.87**	**1.90**	145.36	19.23
Exceptional items-Profit on sale of business	**1,470.32**	**201.10**	–	–
Profit before income tax	**1,484.19**	**202.99**	145.36	19.23
Income tax (expense)/credit				
Current tax- charge	**311.49**	**42.60**	50.80	6.72
Deferred tax- charge	**187.37**	**25.63**	–	–
Profit after income tax	**985.33**	**134.76**	94.56	12.51

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

	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2021 USD in million Supplementary information-convenience translation (See Note 2(C))	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2020 USD in million Supplementary information-convenience translation (See Note 2(C))
Net cash inflow from operating activities	**5.82**	**0.80**	153.14	20.26
Net cash inflow/(outflow) from investing activities	**1,534.50**	**209.87**	(0.41)	(0.05)
Net cash inflow from financing activities	**–**	**–**	–	–

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

B) Assets and liabilities classified as held for sale:

	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million Supplementary information-convenience translation (See Note 2(C))	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million Supplementary information-convenience translation (See Note 2(C))
Non-Current Assets:				
Property, Plant and Equipments*	**144.29**	**19.73**	28.61	3.78
Capital Work-in-Progress	**–**	**–**	0.50	0.07
Other Intangible Assets	**–**	**–**	0.18	0.02
Current Assets:				
Inventories	**–**	**–**	26.37	3.49
Other Financial Assets	**–**	**–**	0.96	0.13
Other Current Assets	**–**	**–**	0.02	–
Assets classified as held for sale	**144.29**	**19.73**	56.64	7.49
Non current Liabilities	**–**	**–**	–	–
Current Liabilities:				
Other financial liabilities	**–**	**–**	0.06	0.01
Provisions	**–**	**–**	11.36	1.50
Liability classified held for sale	**–**	**–**	11.42	1.51

*₹ 144.29 crore pertains to Nutrition business as specifified in Note 31

Note: Fair value of assets as on March 31, 2021 and March 31, 2020 is more than its carrying value.

39. RELATED PARTY DISCLOSURES

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

a) Parties where significant influence/control exits

Other parties exercising control

Humuza Consultants *

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

Habil Khorakiwala Trust **

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

b) *Other related party relationships where transactions have taken place during the year*

Enterprises over which Key Managerial Personnel exercise significant influence/control

The Peace Mission Private Limited (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]

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

Key managerial personnel

H.F.Khorakiwala- Chairman

Aman Mehta - Non-Executive Independent Director

D S Brar - Non-Executive Independent Director

Sanjaya Baru - Non-Executive Independent Director

Tasneem Mehta - Non-Executive Independent Director

Baldev Raj Arora - Non-Executive Independent Director (resigned w.e.f. May 27, 2020)

Vinesh Kumar Jairath - Non-Executive Independent Director

Zahabiya Khorakiwala - Non-Executive Non-Independent Director

Huzaifa Khorakiwala - Executive Director

Murtaza Khorakiwala - Managing Director

Rima Marphatia - (Nominee Director from EXIM)

Akhilesh Gupta - Non-Executive Independent Additional Director (w.e.f. August 29, 2020)

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, 2021 ₹ in crore	**For the year ended March 31, 2021 USD in million**	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2020 USD in million
		Supplementary information- convenience translation (See Note 2(C))		Supplementary information- convenience translation (See Note 2(C))
Key managerial personnel				
Remuneration [Chairman ₹ 2.43 crore (Previous year - ₹ 2.80 crore), Managing Director ₹ 2.03 crore (Previous year - ₹ 2.40 crore), Executive Director ₹ 2.03 crore (Previous year - ₹ 2.40 crore)]	**6.49**	**0.89**	7.60	1.01
Contribution to Provident fund [Chairman ₹ 0.45 crore (Previous year - ₹ 0.20 crore), Managing Director ₹ 0.45 crore (Previous year - ₹ 0.20 crore), Executive Director ₹ 0.45 crore (Previous year - ₹ 0.20 crore)]	**1.35**	**0.18**	0.60	0.08
Remuneration payable [Chairman ₹ Nil (Previous year - ₹ 0.13 crore), Managing Director ₹ Nil (Previous year - ₹ 0.09 crore), Executive Director ₹ Nil (Previous year - ₹ 0.09 crore)]	**–**	**–**	0.31	0.04
Director sitting fee paid [D S Brar ₹ 0.16 crore (Previous year - ₹ 0.14 crore), Sanjaya Baru ₹ 0.14 crore (Previous year - ₹ 0.14 crore), Tasneem Mehta ₹ 0.15 crore (Previous year - ₹ 0.15 crore), Baldev Raj Arora ₹ 0.03 crore (Previous year - ₹ 0.15 crore), Aman Mehta ₹ 0.11 crore (Previous year - ₹0.09 crore), Vinesh Kumar Jairath ₹ 0.15 crore (Previous year - ₹0.15 crore), Zahabiya Khorakiwala ₹ 0.06 crore (Previous year- ₹ 0.04 crore), Rima Marphatia ₹ 0.06 crore (Previous year - ₹ 0.05 crore), Akhilesh K Gupta ₹ 0.07 crore (Previous year - ₹ Nil)]	**0.93**	**0.13**	0.91	0.12
Reimbursement of Expenses to D S Brar	**–**	**–**	0.01	–
Other parties exercising control				
Dividend on preference shares to Humuza Consultants	**4.41**	**0.60**	8.00	1.06
Loan taken from Humuza Consultants and other parties related to subsidiary companies	**335.00**	**45.82**	148.49	19.65
Loan repaid to Humuza Consultants and other parties related to subsidiary companies	**118.13**	**16.16**	–	–
Interest cost on Loan taken from Humuza Consultants and other parties related to subsidiary companies	**9.68**	**1.32**	2.72	0.36
Redemption of Non-Convertible Non-Cumulative Redeemable Preference Shares (NCCRPS) issued to Humuza Consultants	**200.00**	**27.35**	–	–

	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))	For the year ended March 31, 2020 ₹ in crore	For the year ended March 31, 2020 USD in million Supplementary information- convenience translation (See Note 2(C))
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 ₹ Nil (Previous year - ₹ 0.36 crore), Carol Info Services Limited ₹ 80.07 crore (Previous year - ₹ 75.08 crore)]*	**80.99**	**11.08**	76.36	10.10
* rent paid has been disclosed as Right of use assets and Lease liabilities in accrodance with Ind AS 116				
Donation given to Wockhardt Foundation	**2.12**	**0.29**	0.56	0.07
Donation paid to Dr. Habil Khorakiwala Education and Health Foundation (Trust)	**0.69**	**0.09**	1.08	0.14
Reimbursement of Expenses [Wockhardt Hospitals Limited ₹ Nil (Previous year - ₹ 0.02 crore), Carol Info Services Limited ₹ 0.60 crore (Previous year - ₹ 1.68 crore), The Peace Mission Private Limited (formerly Tohfaa Gifting Private Limited) ₹ Nil (Previous year - ₹ 0.09 crore)]	**0.60**	**0.08**	1.79	0.24
Rent and other miscellaneous income [Wockhardt Hospitals Limited ₹ 0.06 crore (Previous year - ₹ 0.04 crore), Wockhardt Foundation ₹ 0.002 crore (Previous year - ₹ 0.003 crore), Dr. Habil Khorakiwala Education and Health Foundation (Trust) ₹ 0.0003 crore (Previous year - ₹ 0.003 crore)]	**0.06**	**0.01**	0.05	0.01
Sale of Finished goods to Wockhardt Hospitals Limited	**0.05**	**0.01**	0.02	–
Sale of Fixed asset to Wockhardt Hospitals Limited	**0.16**	**0.02**	**–**	**–**
Salary paid to the teaching staff of Wockhardt Global School	**2.79**	**0.38**	2.59	0.34
Recovery of Utility Fees from Wockhardt Global School	**0.75**	**0.10**	–	–
The Company has given school premises on lease to Wockhardt Global School without rent				
Premium/Dividend on preference shares to Khorakiwala Holdings and Investments Private Limited	**5.51**	**0.75**	5.84	0.77
Loan taken from [Khorakiwala Holdings and Investments Private Limited ₹ 30.00 crore (Previous year - ₹ 25.00 crore), Merind Limited ₹ 45.00 crore (Previous year - ₹ 58.40 crore)]	**75.00**	**10.26**	83.40	11.03
Interest on loan taken [Khorakiwala Holdings and Investments Private Limited ₹ 0.85 crore (Previous year - ₹ 1.39 crore), Merind Limited ₹ 2.84 crore (Previous year - ₹ 1.25 crore)]	**3.69**	**0.50**	**2.64**	**0.35**
Loan repaid [Khorakiwala Holdings and Investments Private Limited ₹ 26.25 crore (Previous year - ₹ Nil), Merind Limited ₹ 32.53 crore (Previous year - ₹ Nil)]	**58.78**	**8.04**	**–**	**–**
Rent recovery on behalf of Merind Limited	**0.01**	**–**	–	–
Purchase of Consumables from Corival Life Sciences Private Limited	**0.01**	**–**	–	–
Redemption of Non-Convertible Non-Cumulative Redeemable Preference Shares (NCCRPS) issued to Khorakiwala Holdings and Investments Private Limited	**50.00**	**6.84**	–	–
Redemption of Non-Convertible Cumulative Redeemable Preference Shares (NCRPS) issued to Khorakiwala Holdings and Investments Private Limited	**80.00**	**10.94**	–	–

d) Related party balances

(All the amounts mentioned below for the disclosure are the contractual amounts based on the arrangement with respective parties. Where such amounts are different from carrying amounts as per Ind AS financial statements, their carrying values have been separately disclosed in brackets.).

	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million Supplementary information-convenience translation (See Note 2(C))	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million Supplementary information-convenience translation (See Note 2(C))
Enterprise over which Key Managerial Personnel exercise significant influence/Control				
Trade receivables [Wockhardt Hospitals Limited ₹ 0.37 crore (Previous year - ₹ 0.05 crore), Wockhardt Foundation ₹ 0.005 crore (Previous year - ₹ 0.003 crore), Dr. Habil Khorakiwala Education and Health Foundation (Trust) ₹ 0.79 crore (Previous year - ₹ 0.04 crore)]	**1.17**	**0.16**	0.09	0.01
Trade Payables [Wockhardt Hospitals Limited ₹ 0.63 crore (Previous year - ₹ 0.63 crore), Carol Info Services Limited ₹ 3.18 crore (Previous year - ₹ 2.68 crore), Palanpur Holdings and Investments Private Limited ₹ 2.66 crore (Previous year - ₹ 1.65 crore), The Peace Mission Private Limited ₹ Nil (Previous year- ₹ 0.02 crore), Merind Limited ₹ 0.01 crore (Previous year - ₹ Nil)]	**6.48**	**0.89**	4.98	0.66
Loan taken [Merind Limited ₹ 74.20 crore (Previous year - ₹ 59.53 crore), Khorakiwala Holdings and Investments Private Limited ₹ 30.46 crore (Previous year - ₹ 26.25 crore), Humuza Consultants ₹367.29 crore (Previous year - ₹ 127.44 crore), Other parties related to subsidiary companies ₹ Nil (Previous year - ₹ 23.05 crore)]	**471.95**	**64.55**	236.27	31.26
Preference shares [Khorakiwala Holdings and Investments Private Limited ₹ Nil (Previous year - ₹ 130.00 crore), Humuza Consultants ₹ Nil (Previous year - ₹ 200.00 crore)]	**–**	**–**	330.00	43.66
[Carrying amount: Khorakiwala Holdings and Investments Private Limited ₹ Nil (Previous year - ₹ 149.62 crore), Humuza Consultants ₹ Nil (Previous year - ₹ 200.30 crore)]				
Security deposit given to Carol Info Services Limited - Transaction value	**55.50**	**7.59**	55.50	7.34
[Carrying amount ₹ 34.98 crore (Previous year - ₹ 32.51 crore)]				
Security deposit given to Palanpur Holdings and Investments Private Limited	**2.75**	**0.38**	2.75	0.36

40. 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, 2021	As at March 31, 2020
Wockhardt Bio AG	Switzerland	**14.15%**	14.15%

	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million Supplementary information-convenience translation (See Note 2(C))	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million Supplementary information-convenience translation (See Note 2(C))
Revenue from operations	**1,961.52**	**268.28**	2,239.39	296.29
Profit/(Loss) for the year	**17.95**	**2.45**	182.54	24.15
Profit/(Loss) allocated to Non - Controlling Interests	**2.54**	**0.35**	25.83	3.42
Total comprehensive income/(loss) allocated to Non - Controlling Interests	**(2.30)**	**(0.30)**	55.96	7.41

	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million Supplementary information- convenience translation (See Note 2(C))
Non current asset and current asset	**5,003.30**	**684.30**	5,458.35	722.19
Non current liabilities and current liabilities	**2,293.15**	**313.64**	2,731.89	361.46
Net assets	**2,710.14**	**370.67**	2,726.46	360.74
Net assets attributable to Non - Controlling Interests	**383.49**	**52.45**	385.79	51.04

	As at March 31, 2021 ₹ in crore	As at March 31, 2021 USD in million Supplementary information- convenience translation (See Note 2(C))	As at March 31, 2020 ₹ in crore	As at March 31, 2020 USD in million Supplementary information- convenience translation (See Note 2(C))
Cash flows from/(used in) operating activities	**510.85**	**69.87**	447.31	59.18
Cash flows from/(used in) investing activities	**4.23**	**0.58**	(227.63)	(30.12)
Cash flows from/(used in) financing activities	**(515.64)**	**(70.52)**	(357.71)	(47.33)
Foreign currency translation differences	**49.00**	**6.70**	6.15	0.81
Net increase/(decrease) in cash and cash equivalents	**48.44**	**6.63**	(131.88)	(17.46)

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

41. FINANCIAL INSTRUMENTS - FAIR VALUES

A. Accounting classification and fair values

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

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

As at March 31, 2021	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					
Investments	**0.45**	–	–	**0.45**	**0.45**
Other Non-Current Financial Assets	–	–	**44.82**	**44.82**	**56.07**
Trade receivables	–	–	**917.65**	**917.65**	**917.65**
Cash and cash equivalents	–	–	**232.25**	**232.25**	**232.25**
Bank balance (other than above)	–	–	**59.54**	**59.54**	**59.54**
Other Current Financial Assets	–	–	**33.18**	**33.18**	**33.18**
Total	**0.45**	–	**1,287.44**	**1,287.89**	**1,299.14**
Total (USD in million) Supplementary information- convenience translation (See Note 2(C))	**0.06**	–	**176.09**	**176.15**	**177.68**
Financial Liabilities					
Borrowings	–	–	**1,568.96**	**1,568.96**	**1,568.96**
Trade payables	–	–	**577.97**	**577.97**	**577.97**
Lease Liabilities	–	–	**341.22**	**341.22**	**362.85**
Other Current Financial Liabilities	–	–	**1,108.65**	**1,108.65**	**1,108.65**
Total	–	–	**3,596.80**	**3,596.80**	**3,618.43**
Total (USD in million) Supplementary information- convenience translation (See Note 2(C))	–	–	**491.94**	**491.94**	**494.90**

(₹ in crore)

As at March 31, 2021	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	–	**56.07**	–	**56.07**
Trade receivables	–	–	–	–
Cash and cash equivalents	–	–	–	–
Bank balance (other than above)	–	–	–	–
Other Current Financial Assets	–	–	–	–
Total	–	**56.07**	**0.45**	**56.52**
Financial Liabilities				
Borrowings	–	**1,568.96**	–	**1,568.96**
Lease Liabilities	–	**362.85**	–	**362.85**
Total	–	**1,931.81**	–	**1,931.81**

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					
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) Supplementary information- convenience translation (See Note 2(C))	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 Current 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) Supplementary information- convenience translation (See Note 2(C))	–	–	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
Trade receivables	–	–	–	–
Cash and cash equivalents	–	–	–	–
Bank balance (other than above)	–	–	–	–
Other Current Financial Assets	–	–	–	–
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

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.

42. FINANCIAL RISK MANAGEMENT

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

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

Risk management framework

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

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

The Company has laid down the procedure for risk assessment and their mitigation through 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, 2021 and March 31, 2020, 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 2021 and 31 March 2020:

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, 2021				As at March 31, 2020			
	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	**691.50**	**(0.72)**	**690.78**	**0.10%**	983.21	(2.04)	981.17	0.22%
Past due 1-180 days	**155.64**	**(1.23)**	**154.41**	**0.79%**	212.84	(12.46)	200.38	2.91%
Past due 181-360 days	**70.52**	**(12.01)**	**58.50**	**17.03%**	53.95	(24.21)	29.74	32.23%
More than 360 days	**156.67**	**(142.71)**	**13.96**	**91.09%**	173.10	(141.70)	31.40	82.26%
Total	**1,074.32**	**(156.67)**	**917.65**		1,423.10	(180.41)	1,242.69	
Total (USD in million) Supplementary information - convenience translation (See Note 2(C))	**146.94**	**(21.43)**	**125.51**		188.29	(23.87)	164.42	

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

	As at March 31, 2021 ₹ in crore	As at March 31, 2020 ₹ in crore
Opening balance	**180.41**	150.26
Impairment loss recognised (including exchange fluctuation)	**2.00**	34.31
Impairment loss utilised	**(25.74)**	(4.16)
Closing balance	**156.67**	180.41
Closing balance (USD in million) Supplementary information - convenience translation (See Note 2(C))	**21.43**	23.87

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 ₹ 291.79 crore (Previous year - ₹ 268.46 crore). These balances are held with bank and financial institution counterparties with good credit rating.

Others

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

ii. Liquidity risk

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

The Group has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Group has access to funds from debt markets to manage short of current assets to current liabilities. The Group invests its surplus funds in bank fixed deposit. Considering this access and ongoing business contract, Group is confident of meeting its liability as and when they are due.

The following are the remaining contractual maturities of financial asset and 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, 2021		Contractual cash flows			
	Carrying amount	Total	0-12 months	1-5 years	More than 5 years
Non-derivative financial assets					
Other non current financial assets	44.82	44.82	–	44.82	–
Trade receivables	917.65	917.65	917.65	–	–
Cash and cash equivalents	232.25	232.25	232.25	–	–
Bank balances (other than cash and cash equivalents)	59.54	59.54	59.54	–	–
Other current financial assets	33.18	33.18	33.18	–	–
Total	**1,287.44**	**1,287.44**	**1,242.62**	**44.82**	**–**

(₹ in crore)

As at March 31, 2021	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)*	1,261.48	1,423.69	843.15	580.54	–
Other borrowings (excluding preference shares)	23.83	24.24	21.17	1.86	1.21
Loan from related party	471.95	471.95	471.95	–	–
Working capital loans from banks (repayable on demand)	574.47	574.47	574.47	–	–
Lease Liabilities	341.22	460.46	67.17	288.69	104.60
Trade payables and other Current Financial Liabilities	923.85	923.85	923.85	–	–
Total	**3,596.80**	**3,878.66**	**2,901.76**	**871.09**	**105.81**

As at March 31, 2020	Carrying amount	Contractual cash flows Total	0-12 months	1-5 years	More than 5 years
Non-derivative financial assets					
Other non current financial assets	46.02	46.02	–	46.02	–
Trade receivables	1,242.69	1,242.69	1,242.69	–	–
Cash and cash equivalents	219.34	219.34	219.34	–	–
Bank balances (other than cash and cash equivalents)	49.12	49.12	49.12	–	–
Other current financial assets	8.85	8.85	8.85	–	–
Total	1,566.02	1,566.02	1,520.00	46.02	–

As at March 31, 2020	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)*	2,054.40	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

* 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 (including intercompany receivables and payables) as at March 31, 2021 and March 31, 2020 are as below:

Particulars	Currency	As at March 31, 2021		As at March 31, 2020	
		Amount in Foreign Currency (in million)	₹ in crore	Amount in Foreign Currency (in million)	₹ in crore
Loan Availed	EUR	**0.10**	**0.85**	0.05	0.41
	USD	**32.87**	**240.32**	44.83	338.80
Trade Receivables	ACU	–	–	0.08	0.59
	AUD	**0.08**	**0.47**	0.93	4.30
	EUR	**3.10**	**26.64**	2.62	21.70
	GBP	**54.19**	**546.61**	51.52	481.35
	USD	**102.44**	**748.95**	94.44	713.74
	RUB	**178.81**	**17.35**	131.52	12.70
	MXN	**64.74**	**23.12**	64.74	20.56
Loans and Other Receivables	EUR	**45.97**	**394.89**	43.17	357.54
	USD	**9.92**	**72.55**	8.96	67.72
	CHF	**0.05**	**0.36**	0.06	0.44
	GBP	**0.03**	**0.28**	0.18	1.67
	AED	–	–	0.29	0.60
Trade payables and Other Liabilities	ACU	**0.00**	**0.01**	0.01	0.04
	AUD	**0.55**	**3.09**	0.25	1.15
	EUR	**11.33**	**97.33**	15.01	124.28
	GBP	**33.79**	**340.84**	33.23	310.46
	MXN	**13.25**	**4.73**	13.25	4.21
	USD	**11.85**	**86.67**	12.62	95.34
	JPY	**1.55**	**0.10**	7.64	53.22
	CAD	**0.01**	**0.06**	0.02	0.12
	CHF	**1.81**	**14.10**	5.38	42.09
	AED	**0.58**	**1.15**	0.60	1.24
	RUB	**55.38**	**5.37**	11.46	1.11
Bank	GBP	**4.67**	**47.09**	1.99	18.60
	EUR	**0.32**	**2.79**	0.05	0.45
	USD	**1.60**	**11.68**	0.07	0.50
	JPY	–	–	0.01	0.04
	AED	**0.03**	**0.06**	0.02	0.03
	CHF	**0.08**	**0.60**	0.16	1.27
	AUD	**0.03**	**0.14**	0.00	–

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, 2021	Profit or loss before tax Gain/(Loss)		Equity, gross of tax Increase/ (Decrease)	
	Strengthening	Weakening	Strengthening	Weakening
5% movement				
USD	**33.90**	**(33.90)**	**29.61**	**(29.61)**
GBP	**12.66**	**(12.66)**	**12.66**	**(12.66)**
EUR	**16.31**	**(16.31)**	**16.31**	**(16.31)**
RUB	**0.60**	**(0.60)**	**0.60**	**(0.60)**
MXN	**0.92**	**(0.92)**	**0.92**	**(0.92)**
Others	**(0.85)**	**0.85**	**(0.85)**	**0.85**
Total	**63.53**	**(63.53)**	**59.24**	**(59.24)**

(₹ in crore)

Effect in ₹	Profit or loss before tax Gain/(Loss)		Equity, gross of tax Increase/(Decrease)	
March 31, 2020	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)

The Company has been receiving Advance for Supply of Goods from Wockhardt Bio AG, a majorly held foreign subsidiary of the Company {as on March 31, 2021 USD 88.06 million (₹ 483.79 crore) [Previous year- USD 90.83 million (₹ 498.83 crore) was outstanding}. In accordance with the direction of Reserve Bank of India (RBI)/Authorised Dealer (AD) Bank, such advance was supposed to be adjusted against Supply of goods by December 31, 2020.

The Company, as part of normal business has also been providing services including but not limited to R&D services and assignment of rights over its new chemical entities (NCE) to the aforesaid foreign subsidiary and as on March 31, 2021 USD 91.24 million (₹ 667.09 crore) [Previous year - USD 85.30 million (₹ 644.72 crore) is outstanding receivables towards the same, of which USD 64.99 million (₹ 475.19 crore) is outstanding for more than the prescribed period as per the master circulars issued by the Reserve Bank of India (RBI).

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

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

Pending receipt of this approval, these balances are reported gross in the balance sheet and the receivables are restated at year end exchange rate, whereas the advance for supply of goods is accounted at the historical transaction exchange rate in accordance with the requirements of Ind AS 21.

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, 2021	As at March 31, 2020
Variable-rate instruments		
Financial liabilities	**1,835.95**	2,612.96
	1,835.95	2,612.96
Fixed-rate instruments		
Financial liabilities	**495.78**	600.27
	495.78	600.27

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, 2021**	For the year ended March 31, 2020
100 bp increase	**(18.36)**	(26.13)
100 bp decrease	**18.36**	26.13

43. 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, 2021	As at March 31, 2020
Total Borrowings	**2,331.73**	3,213.23
Less: Cash and cash equivalent and other bank balances	**291.79**	268.46
Adjusted net debt	**2,039.94**	2,944.77
Total equity	**3,760.25**	3,057.46
Adjusted net debt to adjusted equity ratio	**0.54**	0.96

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, 2021 is ₹ 190.70 crore (Previous year: ₹ 199.26 crore) and is not available for distribution as dividend.

44. a) The Group's New Chemical Entity ('NCE') research program continued to progress in their Clinical Trials during the Financial Year 2020-21. Development Expenses incurred during the year ₹ 74.37 crores (Previous Year: ₹ 142.11 crores) has been capitalised and included under 'Intangible assets under development' as at March 31, 2021.

b) Certain manufacturing facilities, having net book value of ₹ 293.38 crore (Previous year ₹ 183.55 crore) and capital work in progress amounting to ₹ 285.81 crore (Previous year ₹ 426.14 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.

45. 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 - ₹ 44.64 crore).(1)

(b) Demand by Income tax authorities ₹ 310.37 crore (Previous year - ₹ 266.78 crore) disputed by the Company.

(c) Demand by Sales Tax authorities (including GST) ₹ 89.90 crore (Previous year - ₹ 88.20 crore) disputed by the Company. (1)

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

(e) Demand by Municipal Corporation, Local body Tax on inputs used for manufacture of exported goods ₹ 2.00 crore (Previous year : Nil)

(f) Differential custom duty for misclassification/penalty disputed by the Company ₹ 0.65 crore (Previous year - Nil)

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

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

– electricity expense ₹ 7.56 crore (Previous year - ₹ 7.12 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: ₹ 2.00 crore)

(i) Demand from National Pharmaceutical Pricing Authority (NPPA) in respect of overcharging of certain products disputed by the Company ₹ 80.51 crore (Previous year - ₹ 75.04 crore).

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

(k) During the year, the Texas Attorney General's office served Wockhardt USA LLC ('WUSA'), Morton Grove Pharmaceuticals Inc ('MGP') and Wockhardt Limited (collectively 'Wockhardt') with a settlement demand of USD 90 million after review of documents and data produced by Wockhardt in response to Civil Investigative Demand ('CID') with respect to submission of price information and updates to Texas Medicaid. The parties continue to discuss resolution through settlement. The Group has made provision of ₹ 51.18 crore (USD 7.0 million) towards settlement, being the management's best estimate of the expected payout.

(l) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 97.64 crore (Previous year - ₹ 108.85 crore) after deducting advance on capital account of ₹ 8.22 crore (Previous year - ₹ 7.10 crore).

(m) 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 ₹ 12.97 crore (USD 1.8 million) [Previous year - ₹ 48.33 crore (USD 6.4 million)].

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

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

Particulars	As at March 31, 2021	As at April 01, 2020	Non cash changes		Reclassi-fication	Other items considered separately	Cash flows-inflow/ (Outflow)
			Exchange fluctuation	other non cash adjustments			
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Long-term borrowings (Net)	1,265.62	2,309.37	(21.55)	(9.82)	–	0.84	(1,013.22)
Short-term borrowings (Net)	1,066.11	903.86	0.05	–	–	(5.03)	167.23

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	other non cash 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

47. As part of Corporate Social Responsibility (CSR), the Company has made voluntary contribution of ₹ 2.81 crore during the year (Previous year - ₹ 1.64 crore) for spending on CSR activities to Wockhardt Foundation and Dr. Habil Khorakiwala Education and Health Foundation. The aforesaid amount has been included in Note 29 under 'Miscellaneous expenses', being contribution and other expenses (Also Refer note 39).

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

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

49. 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	27.38	1,605.76	132.53	593.29	1.70	(0.32)	138.25	592.97
SUBSIDIARIES								
Indian								
1. Wockhardt Infrastructure Development Limited	3.86	226.67	3.75	16.81	–	–	3.92	16.81
2. Wockhardt Medicines Limited	–	(0.02)	(0.01)	(0.03)	–	–	(0.01)	(0.03)
Foreign								
1. Z&Z Services GmbH	(0.03)	(1.56)	(0.01)	(0.03)	–	–	(0.01)	(0.03)
2. Wockhardt Europe Limited	0.17	10.00	–	(0.01)	–	–	–	(0.01)
3. Wockhardt Nigeria Limited	–	(0.13)	–	–	–	–	–	–
4. Wockhardt UK Holdings Limited	1.77	104.03	–	(0.02)	–	–	–	(0.02)
5. CP Pharmaceuticals Limited	3.06	179.69	10.41	46.60	98.30	(18.45)	6.56	28.15
6. CP Pharma (Schweiz) AG	0.02	1.19	(0.01)	(0.03)	–	–	(0.01)	(0.03)
7. Wallis Group Limited	0.49	28.96	–	–	–	–	–	–
8. The Wallis Laboratory Limited	(0.04)	(2.43)	(0.01)	(0.06)	–	–	(0.01)	(0.06)
9. Wockhardt Farmaceutica do Brasil Ltda	(0.02)	(0.99)	0.05	0.21	–	–	0.05	0.21
10. Wallis Licensing Limited	(0.19)	(11.40)	–	–	–	–	–	–
11. Wockhardt USA LLC	1.02	59.78	(4.96)	(22.19)	–	–	(5.17)	(22.19)
12. Wockhardt Bio AG	47.79	2,803.41	43.56	194.99	–	–	45.46	194.99
13. Wockhardt UK Limited	2.74	160.46	2.25	10.06	–	–	2.35	10.06
14. Wockpharma Ireland Limited	13.46	789.46	0.46	2.06	–	–	0.48	2.06
15. Pinewood Laboratories Limited	5.08	297.79	5.15	23.06	–	–	5.38	23.06
16. Wockhardt Holding Corp	2.84	166.63	(0.76)	(3.41)	–	–	(0.80)	(3.41)
17. Morton Grove Pharmaceuticals Inc	5.36	314.14	1.94	8.69	–	–	2.03	8.69

	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
18.	MGP Inc	0.54	31.39	0.60	2.69	–	–	0.63	2.69
19.	Wockhardt France (Holdings) S.A.S	(12.26)	(718.79)	(43.71)	(195.66)	–	–	(45.63)	(195.66)
20.	Laboratoires Pharma 2000 S.A.S	(0.50)	(29.16)	(0.96)	(4.32)	–	–	(1.01)	(4.32)
21.	Laboratoires Negma S.A.S	(0.09)	(5.23)	(49.46)	(221.43)	–	–	(51.63)	(221.43)
22.	Niverpharma S.A.S	(0.58)	(33.98)	(2.51)	(11.22)	–	–	(2.62)	(11.22)
23.	Negma Beneulex S.A	–	0.05	(0.01)	(0.05)	–	–	(0.01)	(0.05)
24.	Phytex S.A.S	0.01	0.60	–	(0.02)	–	–	–	(0.02)
25.	Wockhardt Farmaceutica SA DE CV	(2.11)	(123.98)	(0.25)	(1.10)	–	–	(0.26)	(1.10)
26.	Wockhardt Services SA DE CV	(0.03)	(2.02)	–	–	–	–	–	–
27.	Pinewood Healthcare Limited	–	(0.06)	(0.01)	(0.06)	–	–	(0.01)	(0.06)
28.	Wockhardt Bio (R) LLC	0.23	13.53	1.95	8.74	–	–	2.04	8.74
29.	Wockhardt Bio Pty Ltd	0.03	1.99	0.02	0.11	–	–	0.03	0.11
30.	Wockhardt Bio Ltd #	–	–	–	–	–	–	–	–
Sub Total		**100.00**	**5,865.78**	**100.00**	**447.67**	**100.00**	**(18.77)**	**100.00**	**428.90**
Add/(Less): Effect of Inter Company elimination/ adjustment			(2,105.53)		240.93		14.79		255.72
Non-controlling interests in all subsidiaries			(383.49)		(2.54)		4.84		2.30
Total		**100.00**	**3,376.76**	**100.00**	**686.06**	**100.00**	**0.86**	**100.00**	**686.92**

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

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

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

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

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

As per our attached report of even date

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

Koosai Lehery
Partner
Membership No. 112399

Gajanand Sahu
Company Secretary

Manas Datta
Chief Financial Officer

Place : Mumbai
Date : May 27, 2021

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

Vinesh Kumar Jairath
DIN: 00391684

Akhilesh Gupta
DIN: 00359325

Rima Marphatia
DIN: 00444343

Directors

INDEPENDENT AUDITORS' REPORT

To the Members of Wockhardt Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Wockhardt Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2021, 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 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Revenue recognition

The Key Audit Matter	How the matter was addressed in our audit
The Company recognises revenue from sale of goods when control over the goods is transferred to the customer. The actual point in time when revenue is recognised varies depending on the specific terms and conditions of the sale contracts entered into with customers. Revenue is a key performance indicator of the Company and there is risk of overstatement of revenue due to fraud resulting from pressure to achieve targets, earning expectations or incentive schemes linked to performance. Given the risk of overstatement of revenue due to fraud, this is a key audit matter. Refer note 3(j) of accounting policy and note 41 in standalone financial statements.	Our audit procedures included the following: • We have assessed the Company's accounting policies relating to revenue recognition by comparing with applicable accounting standards. • We have evaluated the design, implementation and operating effectiveness of the Company's key internal control over revenue recognition. • We have examined the samples, selected using statistical sampling, of revenue recorded during the year with the underlying documentation. • We have performed cut off procedures by selecting samples, using statistical sampling, of revenue recorded as at the period end. • We have examined the manual journals posted to revenue at period end 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 ("US FDA") 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 2021, carrying value of such Property, Plant and Equipment and Capital Work in Progress amounts to ₹ 186.47 crores and ₹ 285.81 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. During the year Company has reassessed the commercial prospects of Nutrition business and has classified the related assets as held for sale. Given the significance of carrying value and judgement involved in assessing the recoverability of such facilities this is considered to be a key audit matter. Refer note 3(d) and 3(q) of accounting policy and note 4, 42 and 52 in standalone financial statements	Our audit procedures included the following: • We have assessed the Company's accounting policies relating to impairment by comparing with applicable accounting standards. • We have inquired the progress made on remediation work with key managerial personnel. • We have verified the reports of physical verification of property, plant and equipment and capital work in progress (those assets affected by alerts from US FDA) by the Company including those done by external experts • We have assessed the competence, capabilities and objectivity of the experts (internal and external) used by the Company in the process of verification of assets, assessing the usability of assets and determining recoverable amounts, where required. • We have challenged the significant assumptions considered by the Company while carrying out impairment assessment for assets held for sale. • We have verified the impairment calculation by the Company basis the recoverable amount determined. • We have involved our valuation specialists to assess the valuation methodologies applied by the Company to determine the recoverable amount for the impairment calculation for assets held for sale • We have evaluated adequacy of presentation and disclosure of assets held for sale and related impairment loss in accordance with applicable accounting standards.

Divestment of identified domestic branded business

The Key Audit Matter	How the matter was addressed in our audit
During the year, the Company has completed divestment of its identified domestic branded business (Business Undertaking) to Dr. Reddy's Laboratories Limited. The Company has disclosed the results of operations of this Business Undertaking during the year as discontinued operations and the profit from the aforesaid Transfer of Business Undertaking (excluding the Holdback Amount of ₹ 300 crore) amounting to ₹ 1,470.32 crores has been reported as 'Exceptional Items - Discontinued operations'. Given the size and complexity of transaction, this is considered to be a key audit matter. Refer note 3(q) of accounting policy and note 42 in standalone financial statements	Our audit procedures included the following: • We have assessed the Company's accounting policies relating to discontinued operations 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 verified the computation of gain on sale of Business Undertaking with underlying sale agreement and carrying value of net assets. • We have verified the computation of tax, including deferred tax adjustments on sale of Business Undertaking. • We have evaluated the adequacy of the presentation and disclosures of discontinued operations and gain on sale of Business Undertaking 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.

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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 2021 on its financial position in its standalone financial statements - Refer Note 47 to the standalone financial statements;

   ii. The Company does 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 2021.

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

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

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

Koosai Lehery
Partner
Membership No.: 112399
ICAI UDIN: 21112399AAAABQ3401

Place : Mumbai
Date : 27 May 2021

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2021

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2021, we report the following

(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 ₹ 0.51 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, confirmations have been obtained by the management and in respect of goods-in-transit, subsequent goods receipts have been verified. 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.

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 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, details of dues of Income-tax, Sales-tax, Service tax, Duty of Excise, Goods and Services tax, Customs Duty and Value added tax which have not been deposited as at 31 March 2021 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 and DOR.No.BP.BC.71/21.04.048/2019-20 dated May 23, 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 April 2020 to 30 September 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.

(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 No.: 112399
ICAI UDIN: 21112399AAAABQ3401

Place : Mumbai
Date : 27 May 2021

ENCLOSURE I TO ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2021

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 UP 2014-15	Commissioner (Appeals), West Bengal
Kerala VAT Act	Demand under Section 21	0.16	April 2011 to March 2014	Commissioner (Appeals), Kerala
Gujarat VAT Act	Additional tax on Fuel consumption	0.60	April 2010 to March 2013	Joint Commissioner (Appeals), Gujarat
Central Sales Tax/ VAT Act	Demand under CST and Goa VAT Act	1.25	2006-2007	Addl. Commissioner of Commercial Tax, Goa
	Demand under MVAT Act	3.04	April 2009 to March 2010	Maharashtra Sales Tax Tribunal
	Demand under CST Act	0.41	April 2009 to March 2010	Maharashtra Sales Tax Tribunal
	Demand and Penalty under MVAT Act	0.71	April 2009 to March 2010	Maharashtra Sales Tax Tribunal
	Demand and Penalty under MVAT Act	19.39	April 2010 to March 2011	Maharashtra Sales Tax Tribunal
	Demand and Penalty under CST Act	2.59	April 2010 to March 2011	Maharashtra Sales Tax Tribunal
	Demand under CST Act	6.28	April 2011 to March 2012	Maharashtra Sales Tax Tribunal
	Demand under MVAT Act	7.85	April 2011 to March 2012	Maharashtra Sales Tax Tribunal
	Demand and Penalty under MVAT Act	8.72	April 2012 to March 2013	Maharashtra Sales Tax Tribunal
	Demand under MVAT Act	0.76	April 2012 to March 2013	Maharashtra Sales Tax Tribunal
	Demand under MVAT Act	4.16	April 2013 to March 2014	Maharashtra Sales Tax Tribunal

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

Name of the statute	Nature of dues	Amount * (₹ in crore)	Period to which the amount relates	Forum where dispute is pending
	Demand under CST Act	0.27	April 2013 to March 2014	Maharashtra Sales Tax Tribunal
	Demand under MVAT Act	14.03	April 2014 to March 2015	Joint Commissioner (Appeals)
	Demand under CST Act	1.40	April 2014 to March 2015	Joint Commissioner (Appeals)
	Demand under MVAT Act	4.09	April 2015 to March 2016	Deputy Commissioner
	Demand under CST Act	0.13	April 2015 to March 2016	Deputy Commissioner
	Demand under MVAT Act	3.91	April 2016 to March 2017	Joint Commissioner (Appeals)
	Demand under CST Act	0.55	April 2016 to March 2017	Joint Commissioner (Appeals)
Goods and Services Tax Act, 2017	Interest on late filing of GST returns of Himachal Pradesh for the period Jul'17 to Dec'17 due to technical glitches on GST portal	0.59	July 2017 to December 2017	Pending with First appellate authority
	Recovery of excess refund issued on account of exports value was wrongly considered i.e. lower of statement-2 and FOB value.	1.66	April 2018 to March 2019	Pending with First appellate authority
The Finance Act, 1994 (Service Tax)	Interest and penalty on non-payment of Service Tax on Import of certain services	0.81	April 2005 to March 2010	CESTAT, Mumbai
	Interest on non-payment of Service Tax on Import of certain services	0.07	April 2011 to March 2012	CESTAT, Mumbai
Custom Act, 1962	Customs Duty, Penalty and Interest	0.39	June 2012 to November 2014	CESTAT, Mumbai
	Customs Duty, Penalty and Interest	0.25	January 2013 to March 2015	CESTAT, Mumbai

Name of the statute	Nature of dues	Amount * (₹ in crore)	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Demand under Section 143(3)	4.04	FY 2003-04	High Court
	Demand under Section 143(3)	26.02	FY 2006-07	High Court
	TDS Assessment order u/s 201/201(A)	1.99	FY 2009-10	Commissioner of Income Tax (Appeals) - TDS
	Demand under Section 143(3)	20.17	FY 2010-11	Commissioner of Income Tax (Appeals)
	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 Assessment order u/s 201/201(A)	43.51	FY 2012-13	Commissioner of Income Tax (Appeals) - TDS
	TDS Assessment order u/s 201/201(A)	36.30	FY 2013-14	Commissioner of Income Tax (Appeals) - TDS

Note 1: The aforesaid amounts under Income Tax Act, 1961 are net off the below claims made by the assessee, pending formal acceptance by the tax authorities for the relevant benefit.

Financial Year	Amount (in Crs)	Pending acceptance by Tax authorities for
2012-13	67.29	Order giving effect ('OGE') to the favourable order of CIT(A) and rectification effect arising out of order for FY 2011-12
2010-11	27.33	Eligibility for entitlement and set-off of MAT credit utilisation, arising out of the effect of OGE to the favourable order of CIT(A) for FY 2009-10
2013-14	21.00	Rectification application for granting credit for TDS deducted by non-resident

Note 2 : The aforesaid amounts under Income Tax Act, 1961 does not include demand against which the favorable order has been received by the assesse but has been further appealed by tax authorities at higher level.

Financial Year	Amount (in Crs)	Forum where dispute is further appealed
2000-01	5.00	High Court
2004-05	12.68	High Court
2007-08	0.45	High Court

The above table does not include demand of ₹ 85.70 Crores for Financial year 2009-10, pertaining to dispute preferred by the tax authorities under section 40(a)(ia) of the Act, wherein the dispute on applicability of TDS has been dismissed by the appellate authorities. Demand amount of ₹ 85.70 Crore is net off 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, Custom Duty and income tax is ₹ 0.47 Crore, ₹ 42.53 Crore, ₹ 0.15 Crore, ₹ 0.22 Crores and ₹ 85.71 Crores.

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF WOCKHARDT LIMITED FOR THE YEAR ENDED 31 MARCH 2021

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 2021 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 2021, 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 2021

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

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

Koosai Lehery
Partner
Membership No.: 112399
ICAI UDIN: 21112399AAAABQ3401

Place : Mumbai
Date : 27 May 2021

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BALANCE SHEET

As at March 31, 2021

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

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	4	**1,057.04**	1,439.07
Right of use assets	4	**523.60**	580.94
Capital work-in-progress	4	**306.50**	305.29
Intangible assets	5	**103.02**	24.34
Intangible assets under development	5	**409.20**	–
Financial Assets			
Investments in Subsidiaries	6	**296.82**	296.82
Other investments	6	**0.45**	0.45
Loans	7	**40.62**	38.16
Other non-current financial assets	8	**0.84**	56.63
Non-current tax assets (Net)		**96.26**	96.26
Deferred tax assets (Net)	9	**155.11**	247.40
Other non-current assets	10	**66.47**	67.60
		3,055.93	3,152.96
CURRENT ASSETS			
Inventories	11	**347.47**	314.93
Financial Assets			
i. Trade receivables	12	**954.77**	939.66
ii. Cash and cash equivalents	13.1	**78.98**	108.46
iii. Bank balances (other than cash and cash equivalents)	13.2	**59.42**	49.02
iv. Other current financial assets	14	**66.23**	8.58
Other current assets	15	**187.81**	129.26
Assets classified as held for sale	33 & 42B	**144.29**	56.64
		1,838.97	1,606.55
Total Assets		**4,894.90**	4,759.51
EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	16	**55.39**	55.37
Other Equity		**1,550.37**	939.25
Equity attributable to the share holders of the Company		**1,605.76**	994.62
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	17	**259.45**	519.50
Lease liabilities	35	**393.71**	424.87
Provisions	18	**33.19**	32.10
Other non-current liabilities	19	**–**	483.17
		686.35	1,459.64
CURRENT LIABILITIES			
Financial liabilities			
i. Borrowings	20	**1,066.11**	880.80
ii. Trade payables	21		
Total outstanding dues of micro enterprises and small enterprises		**22.21**	34.91
Total outstanding dues of creditors other than micro enterprises and small enterprises		**362.92**	489.45
iii. Lease liabilities	35	**70.77**	69.41
iv. Other current financial liabilities	22	**459.70**	702.98
Other current liabilities	23	**525.99**	71.62
Provisions	24	**30.88**	43.85
Current tax liabilities (Net)		**64.21**	0.81
Liabilities classified as held for sale	42B	**–**	11.42
		2,602.79	2,305.25
Total Liabilities		**3,289.14**	3,764.89
Total Equity and Liabilities		**4,894.90**	4,759.51
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 27, 2021

Gajanand Sahu
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
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Tasneem Mehta
DIN: 05009664

Vinesh Kumar Jairath
DIN: 00391684

Akhilesh Gupta
DIN: 00359325

Rima Marphatia
DIN: 00444343

Directors

STATEMENT OF PROFIT AND LOSS

For the Year ended March 31, 2021

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

		Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
	INCOME FROM CONTINUING OPERATIONS			
I	Revenue from Continuing operations	25	**987.26**	890.06
II	Other income	26	**40.73**	43.02
III	**Total Income (I + II)**		**1,027.99**	933.08
IV	**Expenses from Continuing operations**			
	Cost of materials consumed		**253.10**	236.70
	Purchase of Stock-in-Trade		**164.97**	85.20
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	27	**(1.78)**	(8.61)
	Employee benefits expense	28	**293.36**	325.46
	Finance costs	29	**200.24**	220.17
	Depreciation and amortisation expense	4 & 5	**184.08**	173.39
	Exchange fluctuation loss/(gain), net		**28.70**	(42.80)
	Other expenses	30	**386.61**	427.25
	Total Expenses (IV)		**1,509.28**	1,416.76
V	**Loss before exceptional items and tax from Continuing operations (III - IV)**		**(481.29)**	(483.68)
VI	**Discontinued Operations**	42		
	Profit before exceptional items and tax from Discontinued operations		**13.87**	145.36
VII	**Exceptional items-credit/(charge)**			
	a) Continuing operations	33	**(142.48)**	–
	b) Discontinued operations	42	**1,470.32**	–
	Total- Exceptional items		**1,327.84**	–
VIII	**Loss after exceptional items before tax from Continuing operations (V + VIIa)**		**(623.77)**	(483.68)
IX	**Tax expense of Continuing operations**	9		
	Current tax -credit		**(136.80)**	(50.80)
	Tax pertaining to earlier years		**–**	3.69
	Deferred tax-credit (Net)		**(94.93)**	(110.89)
X	**Net Loss from Continuing operations (VIII - IX)**		**(392.04)**	(325.68)
XI	**Profit after exceptional items before tax from Discontinued operations (VI + VIIb)**		**1,484.19**	145.36
XII	**Tax expense of Discontinued operations**	9 & 42A		
	Current tax -charge		**311.49**	50.80
	Deferred tax -charge (Net)		**187.37**	–
XIII	**Profit from Discontinued operations (XI - XII)**		**985.33**	94.56
XIV	**Profit/(Loss) for the year (X + XIII)**		**593.29**	(231.12)
XV (i)	**Other Comprehensive Income - Continuing operations**			
	(i) Items that will not be reclassified to profit or loss - (charge)/credit			
	Consisting of re-measurement of net defined benefit (liability)/asset		**(0.43)**	6.02
	(ii) Income tax relating to items that will not be reclassified to Profit or Loss - credit/(charge)		**0.14**	(2.10)
	Other Comprehensive Income (Net of tax) from Continuing operations		**(0.29)**	3.92
XV (ii)	**Other Comprehensive Income from Discontinued operations**			
	(i) Items that will not be reclassified to profit or loss - (charge)/credit			
	Consisting of re-measurement of net defined benefit (liability)/asset		**(0.04)**	(0.17)
	(ii) Income tax relating to items that will not be reclassified to Profit or Loss - credit/(charge)		**0.01**	0.06
	Other Comprehensive Income (Net of tax) from Discontinued operations		**(0.03)**	(0.11)
XVI	**Total Comprehensive Income (XIV+XV (i)+XV (ii)) (Comprising Profit/(loss) and Other Comprehensive Income for the year)**		**592.97**	(227.31)
	Earnings per equity share of face value of ₹ 5 each	31		
A.	Earnings per equity share (for Continuing operations)			
	Basic earnings per share (INR)		**(35.40)**	(29.42)
	Diluted earnings per share (INR)		**(35.40)**	(29.42)
B.	Earnings per equity share (for Discontinuing operations)			
	Basic earnings per share (INR)		**88.97**	8.54
	Diluted earnings per share (INR)		**88.58**	8.50
C.	Earnings per equity share (for Continuing and Discontinuing operations)			
	Basic earnings per share (INR)		**53.57**	(20.88)
	Diluted earnings per share (INR)		**53.34**	(20.88)
	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 27, 2021

Gajanand Sahu
Company Secretary

Manas Datta
Chief Financial Officer

For and on behalf of the Board of Directors

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DIN: 00045608

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Akhilesh Gupta
DIN: 00359325

Rima Marphatia
DIN: 00444343

Directors

STATEMENT OF CHANGES IN EQUITY

For the Year ended March 31, 2021

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

A. Equity Share Capital

As at April 01, 2019 ₹ in crore	Changes in equity share capital during the year ₹ in crore	As at March 31, 2020 ₹ in crore	Changes in equity share capital during the year ₹ in crore	**As at March 31, 2021 ₹ in crore**
55.34	0.03	55.37	0.02	**55.39**

B. Other equity

₹ in crore

	Reserves and Surplus								Total
	Capital Reserves		Capital Redemption Reserve (CRR)	Securities Premium	Share Options Outstanding Account	General Reserves	Other Reserves-FCMITDA	Retained Earnings	
	Capital Reserves (other than capital contribution)	Capital Contribution							
Balance as on April 01, 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 40)	–	–	–	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**
Profit for the year	–	–	–	–	–	–	–	593.29	593.29
Transfer to CRR on account of Redemption of preference shares	–	–	–	–	–	–	–	(330.00)	(330.00)
Other Comprehensive income for the year - Re-measurement of net defined benefit (liability) / asset	–	–	–	–	–	–	–	(0.32)	(0.32)
Total comprehensive Income	–	–	–	–	–	–	–	**262.97**	**262.97**
Net additions/(deductions) on ESOP options (Also Refer note 40)	–	–	–	3.67	(2.45)	0.53	–	–	1.75
Additions in Foreign Currency Monetary Items Translation Difference Account (FCMITDA)	–	–	–	–	–	–	6.84	–	6.84
Amortisation from Foreign Currency Monetary Items Translation Difference Account (FCMITDA)	–	–	–	–	–	–	9.56	–	9.56
Transfer from Retained earnings on account of Redemption of preference shares	–	–	330.00	–	–	–	–	–	330.00
Balance as on March 31, 2021	**172.78**	**65.57**	**819.35**	**68.51**	**27.52**	**263.47**	**(5.57)**	**138.74**	**1,550.37**

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 40 for further details.

Foreign Currency Monetary Items Translation Difference Account (FCMITDA)

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

General Reserve

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

Significant Accounting Policies

The accompanying notes form an integral part of these financial statements

As per our attached report of even date

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

Koosai Lehery
Partner
Membership No. 112399

Gajanand Sahu
Company Secretary

Manas Datta
Chief Financial Officer

Place : Mumbai
Date : May 27, 2021

For and on behalf of the Board of Directors

H. F. Khorakiwala
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DIN: 00045608

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Vinesh Kumar Jairath
DIN: 00391684

Akhilesh Gupta
DIN: 00359325

Rima Marphatia
DIN: 00444343

Directors

CASH FLOW STATEMENT

For the Year ended March 31, 2021

	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2020 ₹ in crore
CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES		
Loss before tax from Continuing Operations	**(623.77)**	(483.68)
Profit before tax from Discontinued Operations	**1,484.19**	145.36
Adjustments for:		
Profit from transfer of Business Undertaking	**(1,470.32)**	–
Impairment loss on nutrition business assets	**142.48**	–
Depreciation and amortisation expense	**184.08**	174.95
Allowance for credit loss	**(4.72)**	22.13
Doubtful advances	**1.67**	4.13
Bad Debts	**9.61**	3.69
Loss on assets sold/write off of fixed assets (Net)	**0.23**	1.61
Finance costs	**200.24**	220.11
Net unrealised foreign exchange fluctuation gain	**(20.32)**	(34.06)
Interest income	**(18.05)**	(7.94)
Employee share based payments expenses	**1.75**	2.26
Liabilities no longer required written back	**(13.93)**	(20.77)
Fair valuation impact on deposits	**–**	0.02
Guarantee fees income	**(7.69)**	(10.17)
	(134.55)	17.64
Movements in Working capital		
(Increase)/Decrease in Inventories	**(30.17)**	28.74
Decrease in Trade receivables	**12.81**	88.23
(Increase)/Decrease in Loans and Advances and other assets	**(52.24)**	98.12
Increase/(Decrease) in Liabilities and provisions	**(112.49)**	85.93
Decrease in Trade payables	**(136.05)**	(96.65)
Cash (used in)/ generated from operations	**(452.69)**	222.01
Income tax paid	**(111.28)**	(0.50)
Net cash (outflow)/ inflow from Operating activities	**(563.97)**	221.51
CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment and Capital work-in progress	**(16.47)**	(18.32)
Proceeds from sale of Property, Plant and Equipment	**0.90**	0.14
Purchase of Intangible assets and Intangible assets under development	**(509.21)**	(3.91)
Consideration received from Transfer of Business Undertaking, net	**1,534.50**	–
Margin money under lien and Bank balances (other than cash and cash equivalents)	**(9.48)**	(0.24)
Interest received	**14.10**	6.18
Net cash inflow/ (outflow) from Investing activities	**1,014.34**	(16.15)
Cash flow from/(used in) Financing activities (Refer Note 49)		
Proceeds from Issuance of Equity share capital	**0.02**	0.03
Redemption of preference shares	**(330.00)**	–

	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2020 ₹ in crore
Premium on redemption of preference shares	**(24.24)**	–
Repayment of long-term borrowings (other than preference shares above)	**(191.55)**	(268.31)
Short-term borrowings (net)	**29.23**	3.56
Loans from Related parties	**410.00**	208.40
Repayment of loans taken from Related parties	**(149.11)**	–
Repayment of Lease liabilities (Refer Note 3 below)	**(71.92)**	(70.41)
Finance costs paid (including preference dividend)	**(151.75)**	(147.56)
Equity Dividend paid (including dividend distribution tax, if any) to IEPF	**(0.53)**	0.32
Net cash outflow from Financing activities	**(479.85)**	(273.97)
Net Decrease in Cash and Cash equivalents	**(29.48)**	(68.61)
Cash and cash equivalents as at the beginning of the year	**108.46**	177.07
Cash and cash equivalents as at the end of the year	**78.98**	108.46

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

	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents as per above comprise of the following		
Cash	**0.08**	0.01
Balance with banks:		
– in current account	**78.90**	108.45
Balance as per the Statement of cash flows	**78.98**	108.46

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 ₹ 44.43 crore (Previous year - ₹ 47.05 crore)

   Payment of Principal ₹ 27.49 crore (Previous year - ₹ 23.36 crore)
4. Refer Note 42 for cash flows of the Discontinued operations.
5. Figures in bracket indicate cash outflow.

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

Gajanand Sahu
Company Secretary

Manas Datta
Chief Financial Officer

Place : Mumbai
Date : May 27, 2021

For and on behalf of the Board of Directors

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Akhilesh Gupta
DIN: 00359325

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 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 27, 2021.

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 recognized upfront (to retained earnings) and not deferred.

(ii) Leasehold land:

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

(iii) *Impairment of trade receivables:*

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

(iv) *Legal and other disputes:*

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

(v) *Post-employment benefits:*

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

(vi) *Sales returns and rebates:*

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

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

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

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

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

(vii) *Current tax and deferred tax:*

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

The complexity of the Company's structure makes the degree of estimation and judgement more challenging. The resolution of issues is not always within the control of the Company and it is often dependent on the efficiency of the legal processes. Issues can, and often do, take many years to resolve. Payments in respect of tax liabilities for an accounting period result from payments on account and on the final resolution of open items.

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

(viii) *Estimation of useful life:*

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

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

(ix) *Provision for inventory:*

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES:

a) Property, Plant and Equipment and Depreciation

I. Recognition and Measurement:

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

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- 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	10 – 61 years
Plant and Equipment	4 – 21 years
Furniture and Fixtures	6 – 20 years
Office Equipments	4 – 20 years
Information Technology Equipments	3 – 20 years
Vehicles	5 years

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

Depreciation method, useful 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 in the range of 3 - 10 years

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

c) Research and Development

Research costs are expensed as incurred. Development expenditure incurred on an individual project is carried forward when it meets the conditions of development phase under Ind AS 38 "Intangible Assets" and it can be demonstrated that intangible asset under development will generate probable future economic benefits. The carrying value of development costs is reviewed for impairment when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

d) Impairment of Non-financial assets

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

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

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

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

e) Foreign Currency Transactions / Translations:

i) Transactions in foreign currencies are translated to the reporting currency at exchange rates at the dates of the transactions.

ii) Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the reporting currency at the exchange rate at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

iii) Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in the Statement of Profit and Loss in the period in which they arise.

iv) The Company has availed an option of continuing the policy adopted for exchange differences arising from translation of long term foreign currency monetary items outstanding as on March 31, 2016. Accordingly, foreign exchange gain/losses on long term foreign currency monetary items relating to the acquisition of depreciable assets are added to or deducted from the cost of such assets and in other cases, such gains or losses are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" to be amortised over the remaining life of the concerned monetary item.

f) Financial Instruments

I. Financial assets

(i) Classification of financial assets

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

Debt instruments at amortised cost:

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

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Debt instruments at fair value through other comprehensive income (FVOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the EIR method. The Company does not have any instruments classified as fair value through other comprehensive income (FVOCI).

Debt instruments measured at fair value through profit and loss (FVTPL):

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity investments:

Investment 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 recognized in the statement of profit and loss.

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

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

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

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

Dividend from investments is recognised as revenue when right to receive is established.

Derivative financial instruments:

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

(ii) Initial recognition and measurement

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

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

(iii) Derecognition of financial assets

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

– The rights to receive cash flows from the asset have expired, or

– The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

  (a) the Company has transferred substantially all the risks and rewards of the asset, or

  (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

(iv) Impairment of financial assets

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

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

b) Trade receivables.

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

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

II. Financial Liabilities and equity instruments:

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

(i) Equity instruments:

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

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

(ii) Financial liabilities: - Classification:

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

(iii) Initial recognition and measurement:

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

(iv) Derecognition

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

III. Fair value:

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

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

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

(c) Level 3: The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

IV. Accounting for day 1 differences:

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

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

In case the difference represents:

(i) deemed capital contribution - it is recorded as a contribution from shareholder in equity (capital reserve)

(ii) deemed distribution - It is recorded in equity

(iii) deemed consideration for goods and services - it is recorded as an asset or a liability. This amount is amortized/ accredited to the Statement of Profit and Loss as per the substance of the arrangement (generally straight-line basis over the duration of the arrangement)

V. Embedded derivatives

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

VI. Financial guarantee contracts

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

VII. Offsetting of financial instruments

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

g) Business combinations

i) The Company accounts for each business combination by applying the acquisition method. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

ii) Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

iii) The Company measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount of the identifiable assets acquired and liabilities (including contingent liabilities in case such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably) assumed. When the fair value of the net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, a bargain purchase gain is recognized as capital reserve.

iv) Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to settlement of pre-existing relationships.

v) Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise subsequent changes in the fair value of the contingent consideration are recognised in the Statement of Profit and Loss.

vi) Transaction costs that the Company incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

vii) On an acquisition-by-acquisition basis, the Company recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

viii) Any goodwill that arises on account of such business combination is tested annually for impairment.

ix) Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders. The difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity.

h) Income tax

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

Current tax

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

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

a) has a legally enforceable right to set off the recognised amounts; and

b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

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

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

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

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

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

Deferred tax assets and liabilities are offset only if:

a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

i) Inventories

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

Inventories are valued at cost or net realizable value, whichever is lower. Cost also includes all charges incurred for bringing the inventories to their present location and condition including non-creditable taxes and other levies.

Inventories of stores and spare parts are valued at cost.

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

j) Revenue Recognition

Sale of goods

Revenue is recognized when significant control is transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. Accordingly, the timing of recognition of revenue is dependent on the specific terms agreed with the customer.

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

In case of certain bill and hold arrangements with a few customers, Company recognizes revenue when the goods are separately identified and are ready for physical transfer and are kept at warehouses / 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 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.

k) Employee Benefits

Short term employee benefits

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

Defined contribution plans

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

Defined benefit plans

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

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

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

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

Other long-term employee benefits

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

l) Share-based payment transactions

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

m) Leases

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

At the date of commencement of the lease, the Company 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 recognized at cost and subsequently measured at cost less accumulated depreciation and impairment losses.

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

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

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

n) Provisions, Contingent Liabilities and Contingent Assets

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

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

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

o) Borrowing costs

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

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

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

p) Government Grants

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

– In case of capital grants, they are then recognised in Statement of Profit and Loss as other income on a systematic basis over the useful life of the asset.

– In case of grants that compensate the Company for expenses incurred are recognised in Statement of Profit and Loss on a systematic basis in the periods in which the expenses are recognised.

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

q) Non-current assets held for sale and discontinued operations

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

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

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

Discontinued operations are reported when a component of the Company comprising operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Company operations is classified as held for sale or has been disposed of, if the component either (1) represents a separate major line of business or geographical area of operations and (2) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or (3) is a subsidiary acquired exclusively with a view to resale. In the standalone statement of profit and loss, income/(loss) from discontinued operations is reported separately from income and expenses from continuing operations. The comparative standalone statement of profit and loss is re-presented; as if the operation had been discontinued from the start of the comparative period. The cash flows from discontinued operations are presented separately in Notes.

r) Earnings per share

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

s) Segment reporting

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

t) Cash Flow statement

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

u) Operating cycle

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

v) Recent pronouncements related to Division II of Schedule III

Ministry of Corporate Affairs ("MCA") vide notification dated March 24, 2021 has amended Schedule III of the Companies Act, 2013, which shall be effective from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Ageing schedule of trade receivables, trade payables, capital work-in-progress in specified format.
- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Security deposits to be presented under other financial assets
- Current maturities of long-term borrowings to be disclosed separately under borrowings
- Disclosure of prescribed ratios e.g. current ratio, debt-equity ratio

- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held, disclosure relating to ratios etc.
- Enhanced disclosure for borrowings from banks or financial institutions on the basis of security of current assets such as agreement of quarterly returns or statements of current assets filed by the Company with banks or financial institutions with books of accounts and if not, summary of reconciliation and reason of material discrepancies, if any.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of financial statements.

The Company is in the process of evaluating the above amendments.

4. PROPERTY, PLANT AND EQUIPMENT

(₹ in Crore)

Particulars	Gross Block (At Cost)					Accumulated Depreciation/Impairment						Net Block	
	As at April 01, 2020	Additions	Deductions/ Adjustments	Asset held for sale (Refer Note 42B)	**As at March 31, 2021**	As at April 01, 2020	Charge for the year	Deductions/ Adjustments	Impairment	Asset held for sale (Refer Note 42B)	**As at March 31, 2021**	**As at March 31, 2021**	As at March 31, 2020
Freehold Land	92.40	–	–	88.95	**3.45**	–	–	–	–	–	**–**	**3.45**	92.40
Buildings	362.73	7.92	0.14	52.66	**317.85**	88.54	10.20	–	19.11	23.71	**94.14**	**223.71**	274.19
Plant and machinery	1,920.18	3.99	5.06	172.20	**1,746.91**	861.74	91.57	1.13	123.37	145.81	**929.74**	**817.17**	1,058.44
Furniture and fixtures	30.21	0.12	–	0.48	**29.85**	19.26	1.57	–	–	0.48	**20.35**	**9.50**	10.95
Vehicles	7.58	–	–	0.31	**7.27**	7.08	0.24	–	–	0.31	**7.01**	**0.26**	0.50
Office Equipments	14.11	0.03	–	0.53	**13.61**	13.07	0.86	–	–	0.53	**13.40**	**0.21**	1.04
Information Technology Equipments	63.66	4.17	–	2.07	**65.76**	62.11	2.98	–	–	2.07	**63.02**	**2.74**	1.55
TOTAL	**2,490.87**	**16.23**	**5.20**	**317.20**	**2,184.70**	**1,051.80**	**107.42**	**1.13**	**142.48**	**172.91**	**1,127.66**	**1,057.04**	**1,439.07**
Right of use assets													
Buildings	547.46	0.04	4.11	–	543.39	59.72	54.20	2.35	–	–	111.57	431.82	487.74
Leasehold Land	100.07	–	–	–	100.07	6.87	1.42	–	–	–	8.29	91.78	93.20
TOTAL	**647.53**	**0.04**	**4.11**	**–**	**643.46**	**66.59**	**55.62**	**2.35**	**–**	**–**	**119.86**	**523.60**	**580.94**
Capital work-in-progress	**305.29**	**5.22**	**4.01**	–	**306.50**							**306.50**	**305.29**

4. PROPERTY, PLANT AND EQUIPMENT (CONTD).

(₹ in Crore)

Particulars	Gross Block (At Cost)					Accumulated Depreciation						Net Block	
	As at April 01, 2019	Additions/ Adjustments	Deductions/ Adjustments	Asset held for sale (Refer Note 42B)	**As at March 31, 2020**	As at April 01, 2019	Charge for the year Refer Note 4.2	Deductions/ Adjustments	Impairment	Asset held for sale (Refer Note 42B)	**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													
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	**380.87**	**0.50**	**75.58**	**0.50**	**305.29**							**305.29**	**380.90**

Notes:

4.1 Exchange differences arising on long term foreign currency monetary items relating to depreciable asset adjusted in additions/adjustments above amounts to ₹ -2.94 crore (Previous year - ₹ 8.23 crore)

4.2 Depreciation pertaining to Discontinued operations included above during the year ₹ Nil (Previous year - ₹ 1.56 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 Of the above, freehold land with gross block and net block of ₹ 0.31 crore (Previous year - ₹ 0.31 crore) and Building with gross block of ₹ 0.90 crore (Previous year - ₹ 0.90 crore) and net block of ₹ 0.52 crore (Previous year - ₹ 0.55 crore) are in the process of getting transferred in the name of the Company.

4.5 During the year, the Company, based on its review of useful lives for certain fixed assets, being considered for calculation of depreciation, has revised the same and has accordingly provided for an additional depreciation of ₹ 8.05 crore.

5. INTANGIBLE ASSETS

(₹ in Crore)

Particulars	Gross Block (At Cost)					Accumulated Amortisation					Net Block	
	As at April 01, 2020	Additions/ Adjustments	Deductions/ Adjustments	Asset held for sale (Refer Note 42B)	**As at March 31, 2021**	As at April 01, 2020	Charge for the year	Deductions/ Adjustments	Asset held for sale (Refer Note 42B)	**As at March 31, 2021**	**As at March 31, 2021**	As at March 31, 2020
Brands/Trademarks/ Technical know-how	121.58	109.18	10.93	–	**219.83**	121.58	16.38	–		**137.96**	**81.87**	–
Computer software	55.31	1.47	–	0.07	**56.71**	30.97	4.66	–	0.07	**35.56**	**21.15**	24.34
TOTAL	**176.89**	**110.65**	**10.93**	0.07	**276.54**	**152.55**	**21.04**	**–**	0.07	**173.52**	**103.02**	**24.34**
Intangible assets under development	–	**409.20**	–	–	**409.20**	**–**	**–**	**–**	–	**–**	**409.20**	**–**

(₹ 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 42B)	**As at March 31, 2020**	As at April 01, 2019	Charge for the year	Deductions/ Adjustments	Asset held for sale (Refer Note 42B)	**As at March 31, 2020**	**As at March 31, 2020**	As at March 31, 2019
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**

6. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

Particulars	**As at March 31, 2021 ₹ in crore**	As at March 31, 2020 ₹ 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)		
TOTAL	**0.45**	0.45
Aggregate book value of unquoted investments	**0.45**	0.45
TOTAL	**297.27**	297.27

7. NON-CURRENT FINANCIAL ASSETS-LOANS

Particulars	As at March 31, 2021 ₹ in crore	As at March 31, 2020 ₹ in crore
(Unsecured, considered good unless otherwise stated)		
Security deposits (Refer Note 7.1 below)	**40.62**	38.16
TOTAL	**40.62**	38.16

Note 7.1

Includes deposits with Related parties ₹ 38.66 crore (Previous year - ₹ 36.11 crore).
Also Refer note 43

8. NON CURRENT FINANCIAL ASSETS-OTHERS

Particulars	As at March 31, 2021 ₹ in crore	As at March 31, 2020 ₹ in crore
(Unsecured, considered good unless otherwise stated)		
Deposit with maturity of more than 12 months (under lien)	**0.12**	–
Margin money (under lien)	**0.72**	1.76
Guarantee fees receivable from related party (Refer Note 43)	**–**	54.87
TOTAL	**0.84**	56.63

9. INCOME TAX

NOTE 9.1

Tax recognised in profit or loss for continuing operations

Particulars	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2020 ₹ in crore
Current tax charge/(credit)	**(136.80)**	(50.80)
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	**(94.93)**	(110.89)
Deferred tax charge/(credit)	**(94.93)**	(110.89)
Tax charge/(credit) for the year	**(231.73)**	(158.00)

Tax recognised in profit or loss for discontinued operations

	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2020 ₹ in crore
Current tax charge/(credit)	**311.49**	50.80
Deferred tax charge/(credit), net		
Origination and reversal of temporary differences including Minimum Alternate Tax (MAT) credit entitlement	**187.37**	–
Deferred tax charge/(credit)	**187.37**	–
Tax charge/(credit) for the year	**498.86**	50.80

NOTE 9.2

Tax recognised in other comprehensive income- Continuing operations

Particulars	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2020 ₹ in crore
Items that will not be reclassified to profit or loss		
Remeasurement of the defined benefit plans -(charge)/credit	**0.14**	(2.10)
TOTAL	**0.14**	(2.10)

Tax recognised in other comprehensive income- Discontinued operations

Particulars	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2020 ₹ in crore
Items that will not be reclassified to profit or loss		
Remeasurement of the defined benefit plans -(charge)/credit	**0.01**	0.06
TOTAL	**0.01**	0.06

NOTE 9.3

Reconciliation of effective tax rate

Particulars	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2020 ₹ in crore
Profit/(Loss) before tax (a)	**860.42**	(338.32)
Tax using the Company's domestic tax rate (Current year - 34.944% and Previous year - 34.944%)	**300.67**	(118.22)
Non-deductible tax expenses	**4.07**	17.50
Incremental deduction allowed for research and development costs	**–**	(10.17)
Current tax expense pertaining to earlier years	**–**	3.69
Deferred tax asset not created on losses	**49.79**	–
Remeasurement of opening deferred tax liability basis expected reversals at lower tax rate	**(30.05)**	–
Profit chargeable to/ utilisation of losses at lower rate	**(57.36)**	–
Tax expense as per profit or loss (b)	**267.13**	(107.20)
Effective average tax rate for the year (b)/(a)	**31.05%**	31.68%

NOTE 9.4

Movement in deferred tax asset/(liabilities)

Particulars	Net balance April 01, 2020	Recognised in profit or loss	Recognised in Other Comprehensive Income	March 31, 2021		
				Net Deferred tax asset/ (liability)	Deferred tax asset	Deferred tax liability
Deferred tax asset/(liabilities)						
Property, Plant and Equipment	(251.44)	50.69	–	(200.75)	–	(200.75)
Unabsorbed losses	271.54	(179.36)	–	92.18	92.18	–
Loans and borrowings	(6.42)	5.51	–	(0.91)	–	(0.91)
Employee benefits	20.69	(8.79)	0.15	12.05	12.05	–
Lease arrangements	10.27	3.03	–	13.30	13.30	–
Guarantee fees	2.44	(1.75)	–	0.69	0.69	–
Allowance for credit loss	31.23	(9.92)	–	21.31	21.31	–
Other items	2.06	(0.53)	–	1.53	1.53	–
Tax assets/(Liabilities)	**80.37**	**(141.12)**	**0.15**	**(60.60)**	**141.06**	**(201.66)**
Minimum Alternate Tax (MAT) credit entitlement	167.03	48.68	–	215.71	215.71	–
Net tax assets/(Liabilities)	**247.40**	**(92.44)**	**0.15**	**155.11**	**356.77**	**(201.66)**

Particulars	Net balance April 01, 2019	Recognised in profit or loss	Recognised in Other Comprehensive Income	March 31, 2020		
				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)	(2.04)	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**	**(2.04)**	**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**	**(2.04)**	**247.40**	**505.26**	**(257.86)**

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, 2021 amounts to ₹ 215.71 crore (Previous year - ₹ 167.03 crore). Based on existing contracts and future business prospects, it is probable that the said MAT credit and business loss will be availed in future years against the normal tax expected to be paid in those years

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

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

(iv) Aggregate carried forward tax losses for which no deferred tax has been created amounted to ₹ 142.48 crore (Previous year - ₹ Nil). These tax losses are available for set off against future taxable profits over next 8 years.

10. OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2021 ₹ in crore	As at March 31, 2020 ₹ in crore
Capital advances	**5.66**	4.61
Security Deposits (Refer Note 10.1 below)	**13.15**	12.94
Other advances (Refer Note 10.2 below)	**47.66**	50.05
TOTAL	**66.47**	67.60

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

Note 10.1

Includes balances with Government and Semi-Government authorities amounting ₹ 11.02 crore (Previous year - ₹ 11.08 crore)

Note 10.2

Includes balances with Government authorities amounting ₹ 46.57 crore (Previous year - ₹ 49.29 crore)

11. INVENTORIES

Particulars	As at March 31, 2021 ₹ in crore	As at March 31, 2020 ₹ in crore
Raw Materials and components	**104.09**	99.73
Goods-in-transit	**6.70**	5.69
	110.79	105.42
Work-in-progress	**22.52**	57.56
Stock-in-trade	**23.94**	8.78
Finished goods	**123.13**	97.13
Stores and spares	**67.09**	46.04
TOTAL	**347.47**	314.93

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 ₹ 35.41 crore (Previous year - ₹ 11.89 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 42 ₹ -1.21 crore (Previous year - ₹ 0.19 crore).

12. CURRENT FINANCIAL ASSETS-TRADE RECEIVABLES

Particulars	As at March 31, 2021 ₹ in crore	As at March 31, 2020 ₹ in crore
Unsecured considered good	**981.14**	971.91
Less: Allowance for credit loss	**(26.37)**	(32.25)
Unsecured considered doubtful	**58.30**	57.13
Total	**1,013.07**	996.79
Less : Provisions for Doubtful Debts	**(58.30)**	(57.13)
TOTAL	**954.77**	939.66

The above balances include dues from private companies in which any director is a director or a member ₹ 2.48 crore (Previous year - ₹ 2.26 crore). [Also refer note 45 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, 2021 ₹ in crore	As at March 31, 2020 ₹ in crore
Bank balances		
In current accounts	**78.90**	108.45
Cash on hand	**0.08**	0.01
TOTAL	**78.98**	108.46

13.2 CURRENT FINANCIAL ASSETS-OTHER BANK BALANCES

Particulars	As at March 31, 2021 ₹ in crore	As at March 31, 2020 ₹ in crore
In current accounts (balances subject to restrictions under Business transfer agreement)	**2.00**	–
Deposits with original maturity of less than 3 months (under lien/balances subject to restrictions under Business transfer agreement)	**2.21**	–
Deposits with original maturity of more than 3 months but less than 12 months (under lien - ₹ 0.31 crore; Previous year - ₹ Nil)	**0.32**	0.01
Deposits with original maturity equal to 12 months (under lien - ₹ Nil; Previous year - ₹ 0.01 crore)	**5.43**	0.01
Deposits with original maturity of more than 12 months (under lien)	**45.46**	45.71
Margin money (under lien)	**2.30**	1.06
Unpaid dividend accounts	**1.70**	2.23
TOTAL	**59.42**	49.02

14. CURRENT FINANCIAL ASSETS-OTHERS

Particulars	As at March 31, 2021 ₹ in crore	As at March 31, 2020 ₹ in crore
(Unsecured, considered good unless otherwise stated)		
Deposits and other receivables	**4.14**	8.58
Guarantee fees receivable from related party (Refer Note 43)	**62.09**	-
TOTAL	**66.23**	8.58

15. OTHER CURRENT ASSETS

Particulars	As at March 31, 2021 ₹ in crore	As at March 31, 2020 ₹ in crore
(Unsecured, considered good unless otherwise stated)		
Advance to suppliers (Refer Note 15.1 below)	**18.46**	15.70
Balances with / receivable from statutory / government authorities	**158.22**	93.21
Other advances (Refer Note 15.2 below).	**11.13**	20.35
TOTAL	**187.81**	129.26

Note 15.1

Advances to Suppliers include dues from private companies in which any director is a director or a member ₹ 0.58 crore (Previous year - ₹ 0.49 crore).

Note 15.2

Other advances includes inventory of Saleable goods ₹ 0.89 crore (Previous year - ₹ 5.23 crore).

Further the above balances are net of provisions amounting ₹ 25.44 crore (Previous year - ₹ 25.14 crore)

16. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2021 ₹ in crore	As at March 31, 2020 ₹ in crore
[a] **Authorised share capital**		
250,000,000 (Previous Year - 250,000,000) Equity shares of ₹ 5/- each	**125.00**	125.00
	125.00	125.00

[b] Issued, Subscribed and Paid up	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	Amount ₹ in crore	Number of Shares	Amount ₹ in crore
Equity:				
Outstanding at the beginning of the year	**110,735,003**	**55.37**	110,686,203	55.34
Add: Shares issued during the year pursuant to ESOS	**46,150**	**0.02**	48,800	0.03
Outstanding as at end of the year	**110,781,153**	**55.39**	110,735,003	55.37

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 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:**

553,500 (Previous year - 621,250) 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, 2021		As at March 31, 2020	
	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.*	**60,495,957**	**54.61%**	60,497,757	54.63%

* includes 14,950,000 Equity Shares (Previous year - 29,650,000) pledged

17. NON-CURRENT FINANCIAL LIABILITY-BORROWINGS

Particulars	As at March 31, 2021 ₹ in crore	As at March 31, 2020 ₹ in crore
Secured		
Term Loans		
From Banks (Refer Note 17.2 below)	**183.67**	327.09
From Financial Institutions (Refer Note 17.1 below)	**73.12**	188.95
Unsecured		
Loans from Department of Science and Technology, Government of India ['GOI'] (Refer Notes 17.3 below)	**2.66**	3.46
TOTAL	**259.45**	519.50

Note 17.1

The term loan of USD 30.00 million (Previous year - USD 40.00 million) amounting to ₹ 219.35 crore (Previous year - ₹ 302.32 crore) is secured by first charge on pari passu basis on fixed assets, present and future, located at all locations other than Units at Kadaiya in Daman. This term loan carries interest rate of 6 months USD LIBOR plus 325 BPS p.a. and is repayable in 6 equal quarterly instalments by July 2022.

Note 17.2

The term loan of ₹ 100.00 crore (Previous year - ₹ 125.00 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 Kadaiya in Daman. This term loan carries interest rate at Bank Base Rate plus 75 BPS p.a. and is repayable in 4 equal half yearly instalments by December 2022.

The term loan of ₹ 95.13 Crore (Previous year - ₹ 150.00 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 Kadaiya in Daman. This term loan carries interest rate at One Year's MCLR plus 185 BPS p.a and is repayable in 7 equal quarterly instalments and Interest pertaining to Covid Moratorium Period (₹ 7.63 crore) will be served in 2 parts along with last 2 Instalments by December 2022.

Further, the term loan of ₹ 130 Crore (Previous year - ₹ 160 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 Kadaiya in Daman. This term loan carries interest rate at One Year's MCLR plus 110 BPS and is repayable in 13 equal quarterly instalments by June 2024.

Note 17.3

Loans from GOI carry interest rate of 3% p.a. Loan amounting ₹ 0.42 crore (Previous year - ₹ 0.85 crore) is repayable by October 2021 and balance ₹ 3.42 crore (Previous year - ₹ 3.80 crore) is repayable in equal annual instalments by March 2029.

Note 17.4

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

18. PROVISIONS (NON-CURRENT)

Particulars	As at March 31, 2021 ₹ in crore	As at March 31, 2020 ₹ in crore
Provision for employee benefits (Refer Note 39)		
Leave encashment (unfunded)	**12.59**	13.14
Gratuity (unfunded)	**20.60**	18.96
TOTAL	**33.19**	32.10

19. OTHER NON-CURRENT LIABILITIES

Particulars	As at March 31, 2021 ₹ in crore	As at March 31, 2020 ₹ in crore
Advance from Subsidiary against supplies (Refer Note 43)	**–**	483.17
TOTAL	**–**	483.17

20. CURRENT FINANCIAL LIABILITIES-BORROWINGS

Particulars	As at March 31, 2021 ₹ in crore	As at March 31, 2020 ₹ in crore
Secured		
Working capital facilities from banks (Refer Note 20.1 below)	**574.47**	558.18
Buyers' credit/Supplier's credit (Refer Note 20.2 below)	**19.69**	9.56
Unsecured		
Loan from related party (Refer Note 20.4 below)	**471.95**	213.22
Preference shares (Refer Note 22.1)	**–**	99.84
TOTAL	**1,066.11**	880.80

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 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 Kadaiya in Daman.

Note 20.3

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

Note 20.4

Loans from related parties carrying interest rate in the rate of 8.5% p.a to 9.5% p.a are repayable on demand and subject to rollover by mutual consent.

21. CURRENT FINANCIAL LIABILITY-TRADE PAYABLES

	Particulars	As at March 31, 2021 ₹ in crore	As at March 31, 2020 ₹ in crore
	Trade payables:		
	Outstanding dues of micro enterprises and small enterprises	**22.21**	34.91
	Total outstanding dues of creditors other than micro enterprises and small enterprises	**362.92**	489.45
	TOTAL	**385.13**	524.36
	The carrying amount of trade payables as at reporting date approximates fair value		
	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	**22.21**	34.91
b)	Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	**1.44**	0.11
c)	Payment made to suppliers (other than interest) beyond the appointed day during the year	**49.12**	10.01
d)	Interest paid to suppliers under MSMED Act (Section 16)	**–**	–
e)	Interest due and payable towards suppliers under MSMED Act for payments already made	**13.75**	13.64
f)	Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (including interest mentioned in (e) above)	**15.19**	13.75

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, 2021 ₹ in crore	As at March 31, 2020 ₹ in crore
Current maturities of long term debt (Refer Note 17 and 22.1 below)	**287.40**	475.52
Unpaid dividend	**1.70**	2.23
Other payables		
Security deposits	**14.37**	19.64
Employee liabilities	**92.49**	130.43
Payable for capital goods	**28.23**	16.04
Other liabilities (includes interest under MSMED Act referred in Note 21.1)	**35.51**	59.12
TOTAL	**459.70**	702.98

Note 22.1		
Note 22.1 (i) Details of preference share :		
AUTHORISED	**No. of Shares**	No. of Shares
Preference shares of ₹ 5/- each	**2,000,000,000**	2,000,000,000
ISSUED, SUBSCRIBED AND PAID UP		
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**	160,000,000
Less: Shares redeemed during the year	**(160,000,000)**	–
Shares outstanding as at the end of the year	**–**	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**	500,000,000
Less: Shares redeemed during the year	**(500,000,000)**	–
Shares outstanding as at the end of the year	**–**	500,000,000

Note 22.1 (ii)

During the previous year ended March 31, 2020, the Company had 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. was payable for the extended period upto the date of redemption on the redemption value. The entire preference shares have been redeemed on October 19, 2020.

Also Refer Note 20.

Note 22.1 (iii)

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 preference shares have been redeemed on October 19, 2020.

23. OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2021 ₹ in crore	As at March 31, 2020 ₹ in crore
Payable for statutory dues	**8.20**	10.47
Advance received from Customers/Subsidiary against supplies (including advance from Subsidiary) against supplies (Refer Note 43 and Note 45)	**517.79**	61.15
TOTAL	**525.99**	71.62

24. PROVISIONS (CURRENT)

Particulars	As at March 31, 2021 ₹ in crore	As at March 31, 2020 ₹ in crore
Provision for employee benefits (Refer Note 39)		
Leave encashment (unfunded)	**4.96**	6.74
Gratuity (unfunded)	**7.39**	7.04
	12.35	13.78
Other provisions (Refer Note 24.1 below)		
Provision for sales returns	**18.53**	30.07
	18.53	30.07
TOTAL	**30.88**	43.85
Note 24.1		
Movement of provision for sales return		
Opening Balance	**30.07**	16.67
Recognised during the year	**15.54**	31.45
Utilised during the year	**(27.08)**	(18.05)
Closing Balance	**18.53**	30.07

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

25. REVENUE FROM CONTINUING OPERATIONS (REFER NOTE 41 AND 43)

Particulars	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2020 ₹ in crore
Sale of products	**876.00**	704.36
Sale of services	**67.95**	69.71
Outlicensing fees	**–**	91.38
Sale of intellectual property	**30.70**	13.65
Sale of Trade mark	**3.52**	–
Other operating income - export incentives	**9.09**	10.96
TOTAL	**987.26**	890.06

26. OTHER INCOME

Particulars	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2020 ₹ in crore
Interest income	**18.05**	7.93
Dividend received*	**–**	–
* ₹ 14,569 (Previous year - ₹ 12,600)		
Other non-operating income (Refer note below)	**22.68**	35.09
TOTAL	**40.73**	43.02

Note:

Other non-operating income includes:

(a) Liabilities no longer required written back ₹ 13.93 crore (Previous year : ₹ 20.77 crore).

(b) Guarantee fees ₹ 7.69 crore (Previous year - ₹ 10.17 crore) (Refer Note 43).

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

Particulars	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2020 ₹ in crore
Opening Inventories		
Finished goods	**97.13**	103.52
Stock-in-trade	**8.78**	37.99
Work-in-progress	**57.56**	40.71
Less: Discontinued Operations	**–**	(22.13)
Add: Inventory for Saleable Returns	**5.23**	–
TOTAL	**168.70**	160.09
Closing Inventories		
Finished goods	**123.13**	97.13
Stock-in-trade	**23.94**	8.78
Work-in-progress	**22.52**	57.56
Add: Inventory for Saleable Returns	**0.89**	5.23
TOTAL	**170.48**	168.70
(Increase)/Decrease in Inventories	**(1.78)**	(8.61)

28. EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2020 ₹ in crore
Salaries and wages (Refer Note 39)	**269.47**	295.80
Contribution to provident and other funds (Refer Note 39)	**10.06**	14.44
Share based payments to employees (Refer Note 40)	**1.75**	2.26
Staff welfare expenses	**12.08**	12.96
TOTAL	**293.36**	325.46

29. FINANCE COSTS

Particulars	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2020 ₹ in crore
Interest expense		
On term loan	**53.82**	71.63
On lease liabilities	**44.43**	47.00
Others	**96.01**	95.44
Other borrowing costs	**5.84**	5.58
Net loss on foreign currency transactions and translation	**0.14**	0.52
TOTAL	**200.24**	220.17

30. OTHER EXPENSES

Particulars	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2020 ₹ in crore
Traveling and conveyance	**17.67**	28.54
Freight and forwarding charges	**25.37**	23.94
Sales promotion and other selling cost	**12.05**	14.02
Commission on sales	**6.82**	4.73
Power and fuel	**55.34**	61.02
Stores and spare parts consumed	**27.02**	11.97
Chemicals	**18.94**	14.35
Rent (Refer Note 43)	**29.41**	26.71
Rates and taxes	**10.07**	7.22
Repairs to buildings	**1.96**	1.43
Repairs to plant and machinery	**11.74**	6.82
Repairs and maintenance - others	**17.69**	16.10
Insurance	**11.46**	7.84
Legal and professional fees	**35.73**	49.43
Directors' sitting fees (Refer Note 43)	**0.93**	0.91
Material for test batches	**7.51**	3.72
Equipment/Utility hire charges (Refer Note 43)	**14.33**	15.30
Novation of Outlicensing Rights (Refer Note 43)	**1.06**	21.10
Allowance for credit loss	**(4.72)**	22.13
Bad Debts	**9.61**	3.69
Miscellaneous expenses (Refer Note 32, 50 and 51)	**76.62**	86.28
TOTAL	**386.61**	427.25

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, 2021 ₹ in crore	For the year ended March 31, 2020 ₹ in crore
Loss attributable to equity holders of the Company from Continuing operations	**(392.04)**	(325.68)
Profit attributable to equity holders of the Company from Discontinued operations	**985.33**	94.56
Profit / (loss) attributable to equity holders of the Company	**593.29**	(231.12)

Reconciliation of number of equity shares

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Weighted average number of shares in calculating Basic EPS	**110,752,502**	110,718,437
Add: Weighted average number of shares under ESOS	**479,264**	491,427
TOTAL	**111,231,766**	111,209,864

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Earnings per share (face value ₹ 5/- each) from Continuing operations		
Earnings per share - Basic in Rupees	**(35.40)**	(29.42)
Earnings per share - Diluted in Rupees	**(35.40)**	(29.42)
Earnings per share (face value ₹ 5/- each) from Discontinued operations		
Earnings per share - Basic in Rupees	**88.97**	8.54
Earnings per share - Diluted in Rupees	**88.58**	8.50
Earnings per share (face value ₹ 5/- each)		
Earnings per share - Basic in Rupees	**53.57**	(20.88)
Earnings per share - Diluted in Rupees	**53.34**	(20.88)

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

Particulars	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2020 ₹ in crore
Audit Fees	**1.29**	1.27
Tax Audit Fees	**0.21**	0.25
Other services	**0.24**	0.08
Out of pocket expenses	**0.06**	0.05
TOTAL	**1.80**	1.65

33. During the year ended March 31, 2021, the Company reassessed the commercial prospects of the Nutrition Business and decided not to pursue it in near future and therefore, the Nutrition Business assets were classified as assets held for disposal and an impairment loss of ₹ 142.48 crore has been recognised under the head 'Exceptional items - continuing operations'. Further the aforesaid business assets have been classified as 'Assets held for disposal' as disclosed in Note 4 and Note 42 amounting to ₹ 144.29 crore.

34. 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.

35. 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 Lease hold 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

	March 31, 2021	March 31, 2020
Non-current portion	**393.71**	424.87
Current	**70.77**	69.41
TOTAL	**464.48**	494.28

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

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 ₹ 0.09 crore (Previous year - ₹ 0.05 crore) and rent for low value assets amounting to ₹ 0.54 crore (Previous year - ₹ 0.50 crore) have been included under "Note 30 - Other expenses" under Rent.

Further, Refer Note 45 for maturity profile of lease liabilities.

36. 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, 2021		As at March 31, 2020		Purpose
	USD in Million	₹ in crore	USD in Million	₹ in crore	
Wockhardt Bio AG	**75.00**	**548.36**	150.00	1,133.70	Against the loan taken by the subsidiary. (Also Refer Note 48)

Original Guarantee given for USD 300 million (Previous year - USD 300 million).

	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2020 ₹ in crore
37. CAPITAL EXPENDITURE ON RESEARCH AND DEVELOPMENT		
Intangibles under development	**409.20**	–
Purchase of intellectual property	**98.25**	–
Other additions	**0.77**	1.12
TOTAL	**508.22**	1.12

38. 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, 2021 ₹ in crore	For the year ended March 31, 2020 ₹ in crore
Chemicals and consumables	**9.96**	7.12
Employee cost	**67.63**	87.82
Travelling expenses	**2.50**	4.07
Power and fuel	**6.33**	14.00
Repair and maintenance	**3.38**	2.52
Printing and stationery	**0.21**	0.27
Communication expenses	**0.28**	0.37
Clinical trial expenses	**3.99**	5.59
Analysis expenses	**0.81**	0.33
Legal and professional expenses	**0.72**	0.28
Other Research and Development expenses	**17.75**	14.18
TOTAL	**113.56**	136.55

39. 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, 2021 Gratuity (Non-funded) ₹ in crore	For the year ended March 31, 2020 Gratuity (Non-funded) ₹ in crore
I. Expenses recognised in Profit or Loss:		
1. Current Service Cost	**3.03**	3.24
2. Interest cost	**1.66**	2.16
3. Past service cost	**–**	–
Total Expenses (1)	**4.69**	5.40
(1) balances pertaining to discontinued operations : Gratuity ₹ 0.44 crore (Previous year - ₹ 1.79 crore)		
II. Expenses 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	**0.33**	(5.25)
3. Actuarial changes arising from changes in experience adjustments	**0.14**	(0.20)
Total Expenses@	**0.47**	(5.85)
@ balances pertaining to discontinued operations : Gratuity ₹ 0.04 crore (Previous year - ₹ 0.17 crore)		
III. Net Asset /(Liability) recognised as at balance sheet date:		
1. Present value of defined benefit obligation*	**27.99**	32.95
Net Asset /(Liability) *	**(27.99)**	(32.95)
* includes Balance pertaining to discontinued operations classified as Liabilities held for sale ₹ 6.95 crore in previous year		
IV. Reconciliation of Net Asset / (Liability) recognised as at balance sheet date:		
1. Net Asset/(Liability) at the beginning of year	**(32.95)**	(37.62)
2. Expense as per (I) & (II) above	**(5.16)**	0.45
3. Net transfer out due to discontinuance of Domestic business	**7.42**	–
4. Benefit paid	**2.70**	4.22
5. Net asset/(liability) at the end of the year	**(27.99)**	(32.95)
V. Maturity profile of defined benefit obligation:		
1. Within the next 12 months (next annual reporting period)	**7.39**	14.64
2. Between 2 and 5 years	**15.26**	14.29
3. Between 6 and 10 years	**8.47**	7.80
VI. Quantitative sensitivity analysis for significant assumptions is as below:		
1. Increase/(decrease) on present value of defined benefit obligation at the end of the year		
(i) One percent point increase in discount rate	**(0.49)**	(0.59)
(ii) One percent point decrease in discount rate	**0.51**	0.59
(iii) One percent point increase in rate of salary increase	**0.48**	0.57
(iv) One percent point decrease in rate of salary increase	**(0.46)**	(0.57)

Particulars	For the year ended March 31, 2021 Gratuity (Non-funded) ₹ in crore	For the year ended March 31, 2020 Gratuity (Non-funded) ₹ in crore
(v) One percent point increase in attrition rate	**0.13**	0.13
(vi) One percent point decrease in attrition rate	**(0.15)**	(0.18)
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	**5.70%**	6.00%
2. Expected rate of salary increase	**3.00% p.a**	4.00% p.a for next 1 years & 3.00% p.a thereafter
3. Attrition rate	**35% at lower service reducing to 16% at higher service**	35% at lower service reducing to 16% at higher service
4. Mortality	**Age 20 years- 0.09%; Age 30 years- 0.10%; Age 40 years- 0.17% Age 50 years- 0.44% Age 60 years- 1.12%**	Age 20 years- 0.09%; Age 30 years- 0.10%; Age 40 years- 0.17% Age 50 years- 0.44% Age 60 years- 1.12%

Notes:

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

Gratuity ₹ 4.69 crore (Previous year - ₹ 5.40 crore) and Leave encashment ₹ 3.20 crore (Previous year - ₹ 5.22 crore).

(The above balances include balances pertaining to discontinued operations : Gratuity ₹ 0.44 crore (Previous year - ₹ 1.79 crore; Leave encashment ₹ 0.95 crore (Previous year - ₹ 4.00 crore).

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

(c) The plan above is typically exposed to actuarial risk such as mortality risk, withdrawal rate risk and salary risk

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

(B) Defined contribution plan:

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

Amount recognised as an expense in the Statement of Profit and Loss - included in Note 28 - Contribution to provident and other funds :

Particulars	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2020 ₹ in crore
Provident fund	**10.67**	17.87
Others (Employee State insurance and other funds)	**0.46**	2.24
TOTAL	**11.13**	20.11

Amount pertaining to discontinued operations mentioned in Note 42 - ₹ 1.07 crore (Previous year - ₹ 5.67 crore)

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

40. 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 6 months from the date of grant, and can be exercised during such period not exceeding 7 years.

Employee stock option activity under Scheme 2011 is as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Outstanding at beginning of the year	**621,250**	599,300
(b) Granted during the year	**–**	76,000
(c) Lapsed during the year (re-issuable) *	**21,600**	5,250
(d) Exercised during the year *	**46,150**	48,800
(e) Outstanding at the end of the year:	**553,500**	621,250
of which Options vested and exercisable at the end of the year	**402,100**	428,350
* weighted average exercise price ₹ 5 per share		
Range of weighted average share price on the date of exercise per share	**₹ 299.82- ₹ 528.69**	₹ 263.00- ₹ 393.35
Weighted average share price for the period	**352.21**	311.61
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, 2021	For the year ended March 31, 2020
Net profit/(Loss) as reported in Statement of Profit and Loss (from continuing operations)	**(392.04)**	(325.68)
Basic earnings per share as reported (₹)	**(35.40)**	(29.42)
Diluted earnings per share as reported (₹)	**(35.40)**	(29.42)
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	**5.80% - 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	**0.2 years - 11.97 years**	1.01 years - 8.03 years

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

41. REVENUE:

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

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

  Rebates, discounts, commissions and bonuses (including cash discounts offered to customers for prompt payment) are provisioned and recorded as deduction from revenue at the time the related revenue is recorded. These rebates are calculated based on the historical experience and the specific terms in individual agreements. 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, Sale of Trademarks and Outlicensing fees: Revenue is recognised when a contractual promise to a customer (performance obligation) has been fulfilled by transferring control to the customer taking into consideration the specific terms of the agreement and when the risk of reversal of revenue recognition is remote.

There is no significant 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, 2021 ₹ in crore**	For the year ended March 31, 2020 ₹ in crore
Total revenue from customers	**978.17**	879.10
Other Operating income	**9.09**	10.96
TOTAL	**987.26**	890.06

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

Particulars	**For the year ended March 31, 2021 ₹ in crore**	For the year ended March 31, 2020 ₹ in crore
Total Gross revenue, net of estimated returns as referred in Note 24.	**982.25**	888.44
Less: Discounts	**(4.08)**	(9.34)
Revenue from contract with customers	**978.17**	879.10
Other Operating income	**9.09**	10.96
TOTAL	**987.26**	890.06

42. DISCONTINUED OPERATIONS AND ASSET HELD FOR SALE:

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

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

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

The profit from aforesaid Transfer of Business Undertaking (excluding the Holdback Amount of ₹ 300 crore) amounting to ₹ 1,470.32 crore has been shown as ' Exceptional Items - discontinued operations'.

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

Particulars	**For the year ended March 31, 2021 ₹ in crore**	For the year ended March 31, 2020 ₹ in crore
Revenue including other income	**53.74**	481.16
Expenses	**39.87**	335.80
Profit before exceptional items and tax	**13.87**	145.36
Exceptional items-Profit on sale of business	**1,470.32**	–
Profit before income tax	**1,484.19**	145.36
Income tax expense/(credit)		
Current tax- charge	**311.49**	50.80
Deferred tax- charge	**187.37**	–
Profit after income tax	**985.33**	94.56

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

Particulars	**For the year ended March 31, 2021 ₹ in crore**	For the year ended March 31, 2020 ₹ in crore
Net cash inflow from operating activities	**5.82**	153.14
Net cash inflow/(outflow) from investing activities	**1,534.50**	(0.41)
Net cash inflow from financing activities	**–**	–

Note:

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

B. Assets and liabilities held for sale:

Particulars	As at March 31, 2021 ₹ in crore	As at March 31, 2020 ₹ in crore
Non-Current Assets:		
Property, Plant and Equipments*	**144.29**	28.61
Capital Work-in-Progress	–	0.50
Other Intangible Assets	–	0.18
Current Assets:		
Inventories	–	26.37
Other Financial Assets	–	0.96
Other Current Assets	–	0.02
Assets classified as held for sale	**144.29**	56.64
Non-Current Liabilities:		
Current Liabilities:		
Other financial liabilities	–	0.06
Provisions	–	11.36
Liabilities classified as held for sale	–	11.42

* ₹ 144.29 crore pertains to Nutrition business as specified in note 33.

Note: Fair value of assets as on March 31, 2021 and March 31, 2020 is more than its carrying value.

43. 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

Other parties exercising control

Humuza Consultants *

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

Habil Khorakiwala Trust **

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

(b) ***Other related party relationships where transactions have taken place during the year***

Enterprises over which Key Managerial Personnel exercise significant influence/control

The Peace Mission Private Limited (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]

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

Key managerial personnel

H.F. Khorakiwala - Chairman
Aman Mehta - Non-Executive Independent Director
D S Brar - Non-Executive Independent Director
Sanjaya Baru - Non-Executive Independent Director
Tasneem Mehta - Non-Executive Independent Director
Baldev Raj Arora - Non-Executive Independent Director (resigned w.e.f. May 27, 2020)
Vinesh Kumar Jairath - Non-Executive Independent Director
Zahabiya Khorakiwala - Non-Executive Non-Independent Director
Huzaifa Khorakiwala - Executive Director
Murtaza Khorakiwala - Managing Director
Rima Marphatia (Nominee Director from EXIM)
Akhilesh Gupta - Non-Executive Independent Additional Director (w.e.f. August 29, 2020)

		For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2020 ₹ 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 ₹ 0.66 crore (Previous year - ₹ 0.62 crore), Wockhardt UK Limited ₹ 0.85 crore (Previous year - ₹ 0.78 crore), Wockhardt USA LLC ₹ 0.30 crore (Previous year - ₹ 0.20 crore), Wockhardt Bio AG ₹ 4.11 crore (Previous year - ₹ 3.96 crore), Pinewood Laboratories Limited ₹ 1.93 crore (Previous year - ₹ 1.30 crore), Morton Grove Pharmaceuticals, Inc. ₹ 0.95 crore (Previous year - ₹ 0.73 crore), Wockhardt Bio (R) LLC ₹ 0.29 crore (Previous year - ₹ 0.22 crore)]	**9.09**	7.81

	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2020 ₹ in crore
Sales [CP Pharmaceuticals Limited ₹ 0.25 crore (Previous year - ₹ 0.10 crore), Wockhardt Bio AG ₹ 115.74 crore (Previous year - ₹ 72.99 crore), Pinewood Laboratories Limited ₹ -3.15 crore (Previous year - ₹ 20.00 crore), Wockhardt Bio (R) LLC ₹ 26.96 crore (Previous year - ₹ 19.17 crore), Morton Grove Pharmaceuticals, Inc. ₹ Nil (Previous year - ₹ 0.05 crore)]	**139.80**	112.31
Rent and Utility fees to Wockhardt Infrastructure Development Limited	**28.63**	30.02
Purchase of intellectual property from Wockhardt Bio AG	**507.45**	–
Outlicensing fees income from Wockhardt Bio AG	**–**	91.38
Research and Development service income from Wockhardt Bio AG	**55.15**	61.86
Sale of intellectual property to Wockhardt Bio AG	**30.18**	–
Guarantee fees income from Wockhardt Bio AG	**7.75**	10.70
Land Premium to Wockhardt Infrastructure Development Limited	**0.03**	0.03
Purchase of fixed assets [Morton Grove Pharmaceuticals, Inc. ₹ Nil (Previous year - ₹ 0.05 crore), Wockhardt Bio AG ₹ Nil (Previous year - ₹ 3.97 crore)]	**–**	4.02
Expenses recovered [Morton Grove Pharmaceuticals, Inc. ₹ 0.24 crore (Previous year - ₹ 0.42 crore), Wockhardt USA LLC ₹ 0.16 crore (Previous year - ₹ 0.03 crore), Wockhardt Bio AG ₹ 0.41 crore (Previous year - ₹ 0.59 crore), CP Pharmaceuticals Limited ₹ Nil (Previous year - ₹ 0.03 crore), Wockhardt UK Limited ₹ 0.55 crore (Previous year - ₹ 0.30 crore), Pinewood Laboratories Limited ₹ 0.11 crore (Previous year - ₹ 0.13 crore), Wockhardt Bio (R) LLC ₹ 0.04 crore (Previous year - ₹ 0.10 crore)]	**1.51**	1.60
Reimbursement of expenses [Wockhardt Bio AG ₹ 0.57 crore (Previous year - ₹ 10.72 crore), CP Pharmaceuticals Limited ₹ 0.81 crore (Previous year - ₹ 3.00 crore), Wockhardt USA LLC ₹ Nil (Previous year - ₹ 2.65 crore), Wockhardt Bio (R) LLC ₹ 2.23 crore (Previous year - ₹ 0.76 crore)]	**3.61**	17.13
Outstanding balances paid by Pinewood Laboratories Limited on behalf of the Company	**0.26**	–
Purchase of raw material/consumables from Wockhardt Bio AG	**–**	0.28
Sale of fixed assets [CP Pharmaceuticals Limited ₹ 0.02 crore (Previous year - ₹ Nil), Pinewood Laboratories Limited ₹ 0.62 crore (Previous year - ₹ Nil)]	**0.64**	–
Novation of Outlicensing Rights charged by Wockhardt Bio AG	**1.06**	21.10
Security Deposit repaid by Wockhardt Infrastructure Development Limited	**–**	10.00
Advances received against Export of Goods and Services from Wockhardt Bio AG	**–**	2.10
Advances adjusted against Export of Goods and Services to Wockhardt Bio AG	**15.04**	28.72
Key managerial personnel		
Remuneration [Chairman ₹ 2.43 crore (Previous year - ₹ 2.80 crore), Managing Director ₹ 2.03 crore (Previous year - ₹ 2.40 crore), Executive Director ₹ 2.03 crore (Previous year - ₹ 2.40 crore)]	**6.49**	7.60
Contribution to Provident fund [Chairman ₹ 0.45 crore (Previous year - ₹ 0.20 crore), Managing Director ₹ 0.45 crore (Previous year - ₹ 0.20 crore), Executive Director ₹ 0.45 crore (Previous year - ₹ 0.20 crore)]	**1.35**	0.60
Remuneration payable [Chairman ₹ Nil (Previous year - ₹ 0.13 crore), Managing Director ₹ Nil (Previous year - ₹ 0.09 crore), Executive Director ₹ Nil (Previous year - ₹ 0.09 crore)]	**–**	0.31
Director sitting fee paid [D S Brar ₹ 0.16 crore (Previous year - ₹ 0.14 crore), Sanjaya Baru ₹ 0.14 crore (Previous year - ₹ 0.14 crore), Tasneem Mehta ₹ 0.15 crore (Previous year - ₹ 0.15 crore), Baldev Raj Arora ₹ 0.03 crore (Previous year - ₹ 0.15 crore), Aman Mehta ₹ 0.11 crore (Previous year - ₹ 0.09 crore), Vinesh Kumar Jairath ₹ 0.15 crore (Previous year - ₹ 0.15 crore), Zahabiya Khorakiwala ₹ 0.06 crore (Previous year - ₹ 0.04 crore), Rima Marphatia ₹ 0.06 crore (Previous year - ₹ 0.05 crore), Akhilesh Gupta ₹ 0.07 crore (Previous year - ₹ Nil)]	**0.93**	0.91
Reimbursement of Expenses to D S Brar	**–**	0.01
Other parties exercising control		
Dividend on preference shares to Humuza Consultants	**4.41**	8.00
Loan taken from Humuza Consultants	**335.00**	125.00
Loan repaid to Humuza Consultants	**95.15**	–
Interest cost on Loan taken from Humuza Consultants	**9.61**	2.72
Redemption of Non-Convertible Non-Cumulative Redeemable Preference Shares (NCCRPS) issued to Humuza Consultants	**200.00**	–
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 ₹ Nil (Previous year - ₹ 0.36 crore), Carol Info Services Limited ₹ 80.07 crore (Previous year - ₹ 75.08 crore)]*	**80.99**	76.36
* rent paid has been disclosed as Right of use assets and Lease liabilities in accordance with Ind AS 116		
Donation given to Wockhardt Foundation	**2.12**	0.56
Donation given to Dr. Habil Khorakiwala Education and Health Foundation (Trust)	**0.69**	1.08
Reimbursement of Expenses [Wockhardt Hospitals Limited ₹ Nil (Previous year - ₹ 0.02 crore), Carol Info Services Limited ₹ 0.60 crore (Previous year - ₹ 1.68 crore), The Peace Mission Private Limited (formerly Tohfaa Gifting Private Limited) ₹ Nil (Previous year - ₹ 0.09 crore)]	**0.60**	1.79

	For the year ended March 31, 2021 ₹ in crore	For the year ended March 31, 2020 ₹ in crore
Rent and other miscellaneous income [Wockhardt Hospitals Limited ₹ 0.06 crore (Previous year - ₹ 0.04 crore), Wockhardt Foundation ₹ 0.002 crore (Previous year - ₹ 0.003 crore), Dr. Habil Khorakiwala Education and Health Foundation (Trust) ₹ 0.0003 crore (Previous year - ₹ 0.003 crore)]	**0.06**	0.05
Sale of Finished goods to Wockhardt Hospitals Limited	**0.05**	0.02
Sale of Fixed asset to Wockhardt Hospitals Limited	**0.16**	–
Salary paid to the teaching staff of Wockhardt Global School	**2.79**	2.59
Recovery of Utility Fees from Wockhardt Global School	**0.75**	–
The Company has given school premises on lease to Wockhardt Global School without rent		
Premium/Dividend on preference shares to Khorakiwala Holdings and Investments Private Limited	**5.51**	5.84
Loan taken from [Khorakiwala Holdings and Investments Private Limited ₹ 30.00 crore (Previous year - ₹ 25.00 crore), Merind Limited ₹ 45.00 crore (Previous year - ₹ 58.40 crore)]	**75.00**	83.40
Interest on loan taken [Khorakiwala Holdings and Investments Private Limited ₹ 0.85 crore (Previous year - ₹ 1.39 crore), Merind Limited ₹ 2.84 crore (Previous year - ₹ 1.25 crore)]	**3.69**	2.64
Loan repaid [Khorakiwala Holdings and Investments Private Limited ₹ 26.25 crore (Previous year - ₹ Nil), Merind Limited ₹ 32.53 crore (Previous year - ₹ Nil)]	**58.78**	–
Rent recovery on behalf of Merind Limited	**0.01**	–
Purchase of Consumables from Corival Life Sciences Private Limited	**0.01**	–
Redemption of Non-Convertible Non-Cumulative Redeemable Preference Shares (NCCRPS) issued 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	**80.00**	–

(d) ***Related party balances***

(All the amounts mentioned below for the disclosure are the contractual amounts based on the arrangement with respective parties. Where such amounts are different from carrying amounts as per Ind AS financial statements, their carrying values have been separately disclosed in brackets.)

	As at March 31, 2021 ₹ in crore	As at March 31, 2020 ₹ in crore
Subsidiary Companies (including step down subsidiaries)		
Trade receivables [CP Pharmaceuticals Limited ₹ 1.44 crore (Previous year - ₹ 1.58 crore), Z&Z Services GmbH ₹ 0.09 crore (Previous year - ₹ 0.09 crore), Wockhardt USA LLC ₹ 2.20 crore (Previous year - ₹ 1.78 crore), Wockhardt Bio Pty Limited ₹ 0.02 crore (Previous year - ₹ 0.02 crore), Wockhardt Bio AG ₹ 716.92 crore (Previous year - ₹ 644.72 crore), Wockhardt UK Limited ₹ 2.93 crore (Previous year - ₹ 1.29 crore), Pinewood Laboratories Limited ₹ 23.78 crore (Previous year - ₹ 19.60 crore), Wockhardt Bio (R) LLC ₹ 15.54 crore (Previous year - ₹ 12.70 crore), Morton Grove Pharmaceuticals, Inc. ₹ 1.37 crore (Previous year - ₹ 0.17 crore), Laboratoires Negma S.A.S. ₹ 0.69 crore (Previous year - ₹ 0.66 crore), Wockhardt Farmaceutica SA DE CV. ₹ 5.45 crore (Previous year - ₹ 5.63 crore)]	**770.43**	688.24
Trade payables [CP Pharmaceuticals Limited ₹ 11.44 crore (Previous year - ₹ 12.41 crore), Wockhardt USA LLC ₹ 7.53 crore (Previous year - ₹ 0.01 crore), Wockhardt Bio AG ₹ 38.32 crore (Previous year - ₹ 35.33 crore), Wockhardt UK Limited ₹ 5.09 crore (Previous year - ₹ 4.71 crore), Wockhardt Infrastructure Development Limited ₹ 45.17 crore (Previous year - ₹ 27.65 crore), Pinewood Laboratories Limited ₹ 23.74 crore (Previous year - ₹ 18.78 crore), Wockhardt Bio (R) LLC ₹ 3.03 crore (Previous year - ₹ 0.90 crore), Morton Grove Pharmaceuticals, Inc. ₹ 2.90 crore (Previous year - ₹ 3.00 crore)]	**137.22**	102.79
Payable for capital goods [CP Pharmaceuticals Limited ₹ 2.75 crore (Previous year - ₹ 2.55 crore), Wockhardt Bio AG ₹ 2.69 crore (Previous year - ₹ 2.86 crore), Pinewood Laboratories Limited ₹ 1.79 crore (Previous year - ₹ 1.72 crore)]	**7.23**	7.13
Advance from Subsidiary against supplies [Wockhardt USA LLC ₹ Nil (Previous year - ₹ 6.67 crore), Wockhardt Bio AG ₹ 503.17 crore (Previous year - ₹ 518.21 crore)]	**503.17**	524.88
Guarantee fees receivable from Wockhardt Bio AG - Transaction value [Carrying amount ₹ 62.09 crore (Previous year - ₹ 54.87 crore)]	**63.18**	57.40
Security deposit given to Wockhardt Infrastructure Development Limited - Transaction value [Carrying amount ₹ 0.93 crore (Previous year - ₹ 0.85 crore)]	**6.85**	6.85
Enterprise over which Key Managerial Personnel exercise significant influence/Control		
Trade receivables [Wockhardt Hospitals Limited ₹ 0.37 crore (Previous year - ₹ 0.05 crore), Wockhardt Foundation ₹ 0.005 crore (Previous year - ₹ 0.003 crore), Dr. Habil Khorakiwala Education and Health Foundation (Trust) ₹ 0.79 crore (Previous year - ₹ 0.04 crore)]	**1.17**	0.09
Trade Payables [Wockhardt Hospitals Limited ₹ 0.63 crore (Previous year - ₹ 0.63 crore), Carol Info Services Limited ₹ 3.18 crore (Previous year - ₹ 2.68 crore), Palanpur Holdings and Investments Private Limited ₹ 2.66 crore (Previous year - ₹ 1.65 crore), The Peace Mission Private Limited ₹ Nil (Previous year - ₹ 0.02 crore), Merind Limited ₹ 0.01 crore (Previous year - ₹ Nil)]	**6.48**	4.98
Loan taken [Merind Limited ₹ 74.20 crore (Previous year - ₹ 59.53 crore), Khorakiwala Holdings and Investments Private Limited ₹ 30.46 crore (Previous year - ₹ 26.25 crore), Humuza Consultants ₹367.29 crore (Previous year - ₹ 127.44 crore)]	**471.95**	213.22
Preference shares [Khorakiwala Holdings and Investments Private Limited ₹ Nil (Previous year - ₹ 130.00 crore), Humuza Consultants ₹ Nil (Previous year - ₹ 200.00 crore)]	**–**	330.00
[Carrying amount : Khorakiwala Holdings and Investments Private Limited ₹ Nil (Previous year - ₹ 149.62 crore), Humuza Consultants ₹ Nil (Previous year - ₹ 200.30 crore)]		
Security deposit given to Carol Info Services Limited - Transaction value [Carrying amount ₹ 34.98 crore (Previous year - ₹ 32.51 crore)]	**55.50**	55.50
Security deposit given to Palanpur Holdings and Investments Private Limited	**2.75**	2.75
Corporate guarantees given on behalf of subsidiaries/step down subsidiaries - Refer Note 48		

44. FINANCIAL INSTRUMENTS - FAIR VALUES

A. Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(₹ in crore)

March 31, 2021	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	–	–	40.62	40.62	54.33
Other Non-Current Financial Assets	–	–	0.84	0.84	0.84
Trade receivables	–	–	954.77	954.77	954.77
Cash and cash equivalents	–	–	78.98	78.98	78.98
Bank balance (other than above)	–	–	59.42	59.42	59.42
Other Current Financial Assets	–	–	66.23	66.23	66.23
TOTAL	0.45	–	1,200.86	1,201.31	1,215.02
Financial Liabilities					
Borrowings	–	–	1,325.56	1,325.56	1,325.56
Trade payables	–	–	385.13	385.13	385.13
Lease Liabilities	–	–	464.48	464.48	515.53
Other Current Financial Liabilities	–	–	459.70	459.70	459.70
TOTAL	–	–	2,634.87	2,634.87	2,685.92

(₹ in crore)

March 31, 2021	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	–	54.33	–	54.33
Other Non-Current Financial Assets	–	0.84	–	0.84
Trade receivables	–	–	–	–
Cash and cash equivalents	–	–	–	–
Bank balance (other than above)	–	–	–	–
Other Current Financial Assets	–	–	–	–
TOTAL	–	55.17	0.45	55.62
Financial Liabilities				
Borrowings	–	1,325.56	–	1,325.56
Trade payables	–	–	–	–
Lease Liabilities	–	515.53	–	515.53
Other Current Financial Liabilities	–	–	–	–
TOTAL	–	1,841.09	–	1,841.09

(₹ 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 Current 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 Current Financial Liabilities	–	–	–	–
TOTAL	–	1,932.46	–	1,932.46

B. Measurement of fair values:

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

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

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

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

Financial instruments measured at fair value

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

45. 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, 2021 and March 31, 2020, the Company did not have any significant concentration of credit risk with any external customers except Wockhardt Bio AG that accounts for 75% of total trade receivables during current year (Previous year - 69%)

Expected credit loss assessment for customers as at March 31, 2021 and March 31, 2020:

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, 2021				As at March 31, 2020			
	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	94.99	0.72	94.27	0.76%	88.07	1.08	86.99	0.94%
Past due 1-180 days	285.36	1.23	284.13	0.43%	286.36	6.44	279.92	2.25%
Past due 181-360 days	92.36	1.51	90.85	1.63%	72.13	5.96	66.17	8.26%
More than 360 days	566.73	81.21	485.52	14.33%	582.49	75.91	506.58	13.03%
TOTAL	**1,039.44**	**84.67**	**954.77**		1,029.05	89.39	939.66	

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

Particulars	March 31, 2021 ₹ in crore	March 31, 2020 ₹ in crore
Opening balance	**89.38**	67.26
Impairment loss recognised	**4.90**	25.82
Impairment loss utilised	**(9.61)**	(3.69)
Closing balance	**84.67**	89.38

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 ₹ 138.40 crore (Previous year - ₹ 157.48 crore). These balances are held with bank and financial institution counterparties with good credit rating.

Others

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

ii. Liquidity risk

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

The Company has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Company has access to funds from debt markets to manage shortfall of current assets to current liabilities. The Company invests its surplus funds in bank fixed deposit. Considering this access and ongoing business contract, Company is confident of meeting its liability as and when they are due.

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

(₹ in crore)

March 31, 2021		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)*	542.71	593.34	318.84	274.50	–
Other borrowings (excluding preference shares)	23.83	24.24	21.17	1.86	1.21
Preference shares	–	–	–	–	–
Working capital loans from banks (repayable on demand)	574.47	574.47	574.47	–	–
Loan from related party	471.95	471.95	471.95	–	–
Lease Liabilities	464.48	803.93	74.89	333.22	395.82
Trade payables and other Current Financial Liabilities	557.43	557.43	557.43	–	–
TOTAL	**2,634.87**	**3,025.36**	**2,018.75**	**609.58**	**397.03**
Non-derivative financial assets					
Loans - security deposits	**40.62**	**40.62**	**–**	**40.62**	**–**
Other non-current financial assets - Fixed deposits and Margin money	**0.84**	**0.84**	**–**	**0.84**	**–**
Trade receivables	**954.77**	**954.77**	**954.77**	**–**	**–**
Cash and cash equivalents	**78.98**	**78.98**	**78.98**	**–**	**–**
Bank balances (other than Cash and cash equivalents)	**59.42**	**59.42**	**59.42**	**–**	**–**
Other current financial assets	**66.23**	**66.23**	**66.23**	**–**	**–**
TOTAL	**1,200.86**	**1,200.86**	**1,159.40**	**41.46**	**–**

Also issued financial guarantee of ₹ 2,193.45 crore (Outstanding Guarantee amount- ₹ 548.36 crore) for loan taken by its subsidiary which is repayable by March 2022 **

(₹ 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**
Non-derivative financial assets					
Loans - security deposits	**38.16**	**38.16**	**–**	**38.16**	**–**
Other non-current financial assets - Fixed deposits and Margin money	**56.63**	**56.63**	**–**	**56.63**	**–**
Trade receivables	**939.66**	**939.66**	**939.66**	**–**	**–**
Cash and cash equivalents	**108.46**	**108.46**	**108.46**	**–**	**–**
Bank balances (other than Cash and cash equivalents)	**49.02**	**49.02**	**49.02**	**–**	**–**
Other current financial assets	**8.58**	**8.58**	**8.58**	**–**	**–**
TOTAL	**1,200.51**	**1,200.51**	**1,105.72**	**94.79**	**–**

Also issued financial guarantee of ₹ 2,267.40 crore (Outstanding Guarantee amount- ₹ 1,133.70 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, 2021 and March 31, 2020 are as below:

Particulars	Currency	As at March 31, 2021		As at March 31, 2020	
		Amount in Foreign Currency (in million)	₹ in crore	Amount in Foreign Currency (in million)	₹ in crore
Loan Availed	EUR	**0.10**	**0.85**	0.05	0.41
	USD	**32.87**	**240.31**	41.78	315.75
Trade Receivables	ACU	**–**	**–**	0.08	0.59
	AUD	**0.004**	**0.02**	0.004	0.02
	EUR	**2.95**	**25.34**	2.47	20.43
	GBP	**5.37**	**54.20**	0.31	2.87
	USD	**101.77**	**744.09**	93.90	709.68
	RUB	**178.81**	**17.35**	131.52	12.70
Loans and Other Receivables	USD	**8.64**	**63.18**	7.59	57.40
	CHF	**0.05**	**0.36**	0.05	0.41
Trade payables and Other Liabilities	ACU	**0.001**	**0.01**	0.01	0.04
	EUR	**4.12**	**35.06**	3.65	30.23
	GBP	**2.72**	**27.48**	2.64	24.65
	JPY	**–**	**–**	2.02	0.14
	USD	**10.92**	**78.99**	9.88	74.68
	RUB	**55.35**	**5.37**	11.46	1.11
	AUD	**0.01**	**0.05**	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	Profit or loss before tax Gain/(Loss)		Equity, gross of tax Increase/ (Decrease)	
March 31, 2021	**Strengthening of ₹**	**Weakening of ₹**	**Strengthening of ₹**	**Weakening of ₹**
5 % movement				
USD	**(32.04)**	**32.04**	**(27.74)**	**27.74**
GBP	**(1.34)**	**1.34**	**(1.34)**	**1.34**
EUR	**0.53**	**(0.53)**	**0.53**	**(0.53)**
RUB	**(0.60)**	**0.60**	**(0.60)**	**0.60**
Others	**(0.02)**	**0.02**	**(0.02)**	**0.02**
TOTAL	**(33.46)**	**33.46**	**(29.16)**	**29.16**

(₹ in crore)

Effect in INR	Profit or loss before tax Gain/(Loss)		Equity, gross of tax Increase/(Decrease)	
March 31, 2020	Strengthening of ₹	Weakening of ₹	Strengthening of ₹	Weakening of ₹
5 % movement				
USD	(30.95)	30.95	(18.83)	18.83
EUR	1.09	(1.09)	1.09	(1.09)
GBP	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

The Company has been receiving Advance for Supply of Goods from Wockhardt Bio AG, a majorly held foreign subsidiary of the Company {as on March 31, 2021 USD 88.06 million (₹ 483.79 crore) [Previous year - USD 90.83 million (₹498.83 crore) was outstanding}. In accordance with the direction of Reserve Bank of India (RBI) / Authorised Dealer (AD) Bank, such advance was supposed to be adjusted against supply of goods by December 31, 2020.

The Company, as part of normal business has also been providing services including but not limited to R&D services and assignment of rights over its new chemical entities (NCE) to the aforesaid foreign subsidiary and as on March 31, 2021 USD 91.24 million (₹ 667.09 crore) [Previous year - USD 85.30 million (₹ 644.72 crore) is outstanding receivables towards the same, of which USD 64.99 million (₹ 475.19 crore) is outstanding for more than the prescribed period as per the master circulars issued by the Reserve Bank of India (RBI).

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

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

Pending receipt of this approval, these balances are reported gross in the balance sheet and the receivables are restated at year end exchange rate, whereas the advance for supply of goods is accounted at the historical transaction exchange rate in accordance with the requirements of Ind AS 21.

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, 2021 ₹ in crore	As at March 31, 2020 ₹ in crore
Variable-rate instruments		
Financial liabilities	**1,117.18**	1,298.24
	1,117.18	1,298.24
Fixed-rate instruments		
Financial liabilities	**495.78**	577.59
	495.78	577.59

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, 2021 ₹ in crore**	For the year ended March 31, 2020 ₹ in crore
100 bp increase	**(11.17)**	(12.98)
100 bp decrease	**11.17**	12.98

46. 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, 2021 ₹ in crore	As at March 31, 2020 ₹ in crore
Total liabilities	**1,612.96**	1,875.82
Less : Cash and cash equivalent and other bank balances	**138.40**	157.48
Adjusted net debt	**1,474.56**	1,718.34
Total equity	**1,605.76**	994.62
Adjusted equity	**1,605.76**	994.62
Adjusted net debt to adjusted equity ratio	**0.92**	1.73

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, 2021 ₹ 68.66 crore (Previous year - ₹ 75.67 crore) and is not available for distribution to dividend.

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

(a) Demand by Income tax authorities ₹ 310.37 crore (Previous year - ₹ 266.78 crore) disputed by the Company.

(b) Demands by Central Excise authorities in respect of Classification/ Valuation/ Cenvat Credit related disputes; stay orders have been obtained by the Company in case of demands ₹ 44.64 crore (Previous year - ₹ 44.64 crore).[1]

(c) Demand by Sales Tax (including GST) authorities ₹ 89.90 crore (Previous year - ₹ 88.20 crore) disputed by the Company.[1]

(d) Demand by Service tax authorities in respect of non-payment of Service Tax on Import of certain services disputed by the Company ₹ 0.88 crore (Previous year - ₹ 0.88 crore).[1]

(e) Demand by Municipal Corporation, Local body Tax on inputs used for manufacture of exported goods ₹ 2.00 crore (Previous year - ₹ Nil)

(f) Differential custom duty for misclassification/ penalty disputed by the Company ₹ 0.65 crore (Previous year - ₹ Nil)

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

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

- electricity expense ₹ 7.56 crore (Previous year - ₹ 7.12 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 - ₹ 2.00 crore)

(i) Demand from National Pharmaceutical Pricing Authority (NPPA) in respect of overcharging of certain products disputed by the Company ₹ 80.51 crore (Previous year - ₹ 75.04 crore).

(j) During the year, the Texas Attorney General's office served Wockhardt USA LLC ('WUSA'), Morton Grove Pharmaceuticals Inc ('MGP') and Wockhardt Limited (collectively 'Wockhardt') with a settlement demand of USD 90 million after review of documents and data produced by Wockhardt in response to Civil Investigative Demand ('CID') with respect to submission of price information and updates to Texas Medicaid. The parties continue to discuss resolution through settlement. The Company's U.S. Subsidiary has made provision of ₹ 51.18 crore (USD 7.0 million) towards settlement, being the management's best estimate of the expected payout.

(k) The Company is involved in other disputes, lawsuits, claims, inquiries and proceedings including commercial matters that arise from time to time in the ordinary course of business. The Company believes that there are no such pending matters that are expected to have any material adverse effect on its financial statements in any given accounting period.

(l) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 28.72 crore (Previous year - ₹ 34.86 crore) after deducting advance on capital account of ₹ 8.22 crore (Previous year - ₹ 7.10 crore).

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

48. The Company has given a corporate guarantee on behalf of its subsidiary Wockhardt Bio AG for the outstanding loan of USD 62.50 million (₹ 456.97 crore) [Previous year - USD 125.00 million (₹ 944.75 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 on Fixed Deposits of ₹ 45.00 crore (excluding interest) 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 2 equal half yearly installments by March 2022.

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

₹ in crore

Particulars	As at March 31, 2021	As at April 01, 2020	Non cash changes		Reclassi-fication	Other items considered separately	Cash flows-inflow/ (Outflow)
			Exchange fluctuation	Other non-cash adjustments			
Long-term borrowings (Net)	**546.85**	995.02	(9.73)	(18.46)	–	1.73	(421.71)
Short-term borrowings (Net)	**1,066.11**	880.80	0.06	–	–	(5.03)	190.28

₹ in crore

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	Other non-cash 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

50. Donations for Political purpose made and included in Note 30 under Miscellaneous expenses :
Purchase of Electoral Bonds ₹ Nil (Previous year - ₹ 2.00 crore)

51. As part of Corporate Social Responsibility (CSR), the Company has made voluntary contribution of ₹ 2.81 crore during the year (Previous year - ₹ 1.64 crore) for spending on CSR activities to Wockhardt Foundation and Dr. Habil Khorakiwala Education and Health Foundation.The aforesaid amount has been included in Note 30 under 'Miscellaneous expenses', being contribution and other expenses (Also Refer note 43).

52. Certain manufacturing facilities, having net book value of ₹ 186.47 crore (Previous year - ₹ 183.55 crore) and capital work-in-progress amounting to ₹285.81 crore. (Previous year - ₹ 286.31 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.

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

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

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

As per our attached report of even date

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

Koosai Lehery
Partner
Membership No. 112399

Place : Mumbai
Date : May 27, 2021

Gajanand Sahu
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

Vinesh Kumar Jairath
DIN: 00391684

Akhilesh Gupta
DIN: 00359325

Rima Marphatia
DIN: 00444343

Directors

CONSOLIDATED FINANCIAL HIGHLIGHTS

(₹ in crore except earnings per share)

Year-end Financial Position	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
Net Fixed Assets (incl. CWIP)	**4,722**	5,087	4,504	4,321	4,017	3,845	3,149	3,024	2,523	3,506
Deferred Tax Assets/(Liabilties)	**369**	398	242	149	133	98	(53)	(7)	24	(101)
Investments	**0**	0	0	0	0	0	3	3	3	91
Total	**5,092**	5,485	4,746	4,470	4,150	3,943	3,099	3,020	2,550	3,496
Current Assets and other non current assets	**2,653**	2,662	3,054	3,658	4,831	4,131	3,788	3,597	3,490	2,656
Current Liabilities and other non current liabilities	**1,658**	1,894	1,434	1,193	1,115	1,157	1,017	994	1,265	1,189
Net Current Assets	**995**	768	1,620	2,465	3,716	2,974	2,771	2,603	2,225	1,467
TOTAL	**6,086**	**6,254**	**6,366**	**6,935**	**7,866**	**6,917**	**5,870**	**5,623**	**4,775**	**4,963**
Capital										
– Equity	**55**	55	55	55	55	55	55	55	55	55
– Preference	**–**	–	–	–	–	–	299	298	298	761
Total	**55**	55	55	55	55	55	354	353	353	816
Other Equity	**3,321**	2,616	2,619	2,797	3,282	3,720	3,362	3,228	2,351	655
	3,377	2,672	2,674	2,852	3,337	3,775	3,716	3,581	2,704	1,471
Non-controlling Interests	**383**	386	330	346	382	465	144	136	–	–
Borrowings										
– Secured	**1,853**	2,846	3,027	3,391	3,843	2,402	2,004	1,900	2,054	3,271
– Unsecured (Includes Preference Capital from FY 2014-15 onwards)	**473**	350	335	346	304	275	6	6	17	221
Total	**2,326**	3,196	3,362	3,737	4,147	2,677	2,010	1,906	2,071	3,492
TOTAL	**6,086**	**6,254**	**6,366**	**6,935**	**7,866**	**6,917**	**5,870**	**5,623**	**4,775**	**4,963**
Summary of Operations (including discontinued operations)										
Revenue from operations	**2,762**	3,325	4,158	3,937	4,015	4,453	4,481	4,830	5,721	4,614
Other Income	**132**	39	21	120	114	66	67	39	51	23
TOTAL INCOME	**2,894**	**3,364**	**4,179**	**4,057**	**4,129**	**4,519**	**4,548**	**4,869**	**5,772**	**4,637**
Material Consumed	**1,147**	1,326	1,814	1,797	1,662	1,614	1,488	1,806	1,814	1,682
Personnel Cost	**786**	869	937	937	967	951	869	769	663	589
Other expenses	**875**	886	1,272	1,258	1,360	1,379	1,298	1,276	1,128	903
EBITDA	**(47)**	245	135	(55)	26	509	826	979	2,116	1,440
Finance cost (Including exchange fluctuation)	**252**	254	290	198	238	144	173	37	243	290
Depreciation and Amortisation	**246**	226	166	150	149	142	145	140	125	122
Profit Before Tax & Exceptional Items	**(412)**	(197)	(300)	(283)	(247)	289	575	841	1,799	1,051
Exceptional Items - loss/(gain)	**(1,328)**	–	–	358	–	–	–	(50)	(62)	474
PROFIT BEFORE TAX	**916**	**(197)**	**(300)**	**(641)**	**(247)**	**289**	**575**	**891**	**1,861**	**577**
Tax (Expense)/Credit	**(227)**	153	83	(26)	21	(38)	(162)	(48)	(266)	(235)
PROFIT AFTER TAX BEFORE SHARE OF PROFIT/(LOSS) OF ASSOCIATES AND NON-CONTROLLING INTERESTS	**689**	**(43)**	**(217)**	**(667)**	**(226)**	**251**	**413**	**843**	**1,595**	**342**
Share in Profit/(Loss) of Associate Companies	**–**	–	–	–	–	1	–	–	(1)	1
Non-controlling interests - Profit/(Loss)	**3**	26	(22)	(59)	(30)	1	8	2	–	–
PROFIT AFTER TAX AFTER SHARE OF PROFIT/(LOSS) OF ASSOCIATES AND NON-CONTROLLING INTERESTS	**686**	**(69)**	**(195)**	**(608)**	**(196)**	**251**	**405**	**841**	**1,594**	**343**
Basic Earnings (per share)	**61.95**	(6.25)	(17.58)	(55.01)	(17.71)	22.71	36.81	76.60	145.61	31.30

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, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.: 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
Wockhardt Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Wockhardt Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provides me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Wockhardt Limited's statutory registers, minute books, forms and returns filed with the Registrar of Companies ('the ROC'),soft copy of the various records sent over mail as provided by the Company and other relevant records maintained by the Company and also the information provided by the Company, its Officers and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 ("audit period"), prima facie complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the statutory registers, minute books, forms and returns filed with the ROC and other relevant records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

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

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

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

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

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

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   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, 2021:-

   (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, I am of the opinion that the Company has prima facie proper system to comply with the following laws:

   (a) The Drug and Cosmetic Act, 1945 and Rules

   (b) The Drug and Magic Remedies Act, 1954

   (c) Narcotic Drugs and Psychotropic Substances Act, 1985

   (d) Factories Act, 1948 and rules framed there under

(e) The Hazardous Waste (Management & Handling) Rules 1989 under the Environment Protection Act, 1986

(f) The Pharmacy Act, 1948

(g) Bio-Medical Waste (Management and Handling) Rules, 1998

(h) Food Safety and Standards Act, 2016 and rules

(i) Applicable Labour Laws

(vii) I have also examined compliance with the applicable clauses of the following and I am of the opinion that the Company has complied with the applicable provisions:-

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

(b) Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India

During the period under review, I am of the opinion that the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

1. 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, 2021.
2. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act.
3. As per the information provided prima facie adequate notice is given to all Directors to schedule the Board Meetings and Committee meetings.
4. I was informed and I observed from the minutes of the Board and Committee Meetings that all the decisions at the Meetings were prima facie carried out unanimously.
5. There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
6. The management is responsible for compliances of all business laws. This responsibility includes maintenance of statutory registers/ records required by the concerned authorities and internal control of the concerned department.
7. I further report that, during the period under review:

(a) There were instances of:

1. Allotment of shares under Employee Stock Option Scheme;
2. Redemption of Non-Convertible Cumulative Redeemable Preference Shares and Non-Convertible Non-Cumulative Redeemable Preference Shares

(b) There were no instances of:

1. Public/ Rights/ debentures/ sweat equity, Buy-Back of Securities.
2. Merger/ Reconstruction etc.
3. Foreign Technical Collaborations.

I further report that:

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these Secretarial Records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. Where ever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
4. I have not verified the correctness and appropriateness of financial records and Books of Accounts of Company.
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.
7. I have conducted online verification and examination of records, as facilitated by the Company due to Covid-19 and subsequent lockdown situation for the purpose of issuing this Report.

Virendra G. Bhatt
Practicing Company Secretary
ACS No.: 1157 / COP No.: 124
Peer Review No.: 491/2016

Place : Mumbai
Date : 27th May, 2021
UDIN : A001157C000376587

ANNEXURE II 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, 2021:

Sl. No.	Description	Wockhardt ESOS-2011
1	Number of options outstanding as on 1st April, 2020	621,250
2	Number of options granted during the year	Nil
3	Number of options forfeited /lapsed during the year	21,600
4	Number of options vested during the year	59,100
5	Number of options exercised during the year	46,150
6	Number of shares arising as a result of exercise of options	46,150 Equity Shares
7	Money realized by exercise of options (INR), if scheme is implemented directly by the company	₹ 2,30,750/-
8	Loan repaid by the Trust during the year from exercise price received	Not Applicable
9	Number of options outstanding as on 31st March, 2021	553,500
10	Number of options exercisable as on 31st March, 2021	402,100
11	Details of options granted to Key Managerial Personnel	Nil
12	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Nil
13	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil
14	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options during the year calculated in accordance with Indian Accounting Standard (Ind AS -33)	₹ (35.40)

Sl. No.	Description	Wockhardt ESOS-2011
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.
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: ₹ 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 at the time of grant are in the range of ₹ 414 to ₹ 1,954.20.
- Exercise price was of ₹ 5 to ₹ 397.
- Fair value is calculated by using Black-Scholes option pricing formula.
- Stock Price: The closing price on National Stock Exchange of India Limited (NSE) as on the date prior to the date of grant has been considered for valuing the options granted.
- Volatility amount: This is the amount by which stock price is fluctuated or is expected to fluctuate. The method used in the model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of 12 months.
- Risk free interest rate: The yield on government securities at the time of grant of options is the basis of this rate and has been taken as 7.43% - 8.64%.
- Expected Life: For the fair value determination, it has been assumed that on an average the exercise of options will take place at the end of six months from the date of vesting.

- Expected Dividend: As the stock prices for one year have been considered, the price movement on account of the dividend is already factored in and hence not separately built in.
- The early exercise part is incorporated in the assumption of 'years to maturity' which is an assumption of average time for exercise of options.
- The market price volatility is based on share price variation for the year prior to the date of grant.
- No other feature has been considered for fair valuation of options.

Note: The details about Stock Options are also provided under Note No. 38 of Notes to Financial Statements.

For and on behalf of the Board of Directors

Dr. H. F. KHORAKIWALA
Chairman
DIN: 00045608

ANNEXURE III TO THE BOARD'S REPORT

ANNUAL REPORT ON CSR ACTIVITIES/INITIATIVES

1. Brief outline on CSR Policy of the Company.

   Pursuant to the requirement of the Companies Act, 2013 and the Rules made thereunder, the Company has well framed CSR Policy.

   The Company's CSR Policy aims at excellence through service to local communities wherein the Company operates with the involvement of employees. The focus areas for CSR are Healthcare, Education, Infrastructure Development and Promoting social causes.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Dr. H. F. Khorakiwala	Executive Director - Chairman	2	2
2	Mr. Aman Mehta	Independent Director	2	2
3	Mr. Davinder Singh Brar	Independent Director	2	2
4	Dr. Huzaifa Khorakiwala	Executive Director	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:

   Composition of CSR committee http://www.wockhardt.com/files/committees-board-080920.pdf;

   CSR Report http://www.wockhardt.com/files/Wockhardt-Foundation-Annual-Report-2020-21.pdf

   CSR Policy http://www.wockhardt.com/csr/csr-policy.aspx

4. Provide the details of Impact assessment of CSR projects carried in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). **N. A.**

5. Details of the amount available for set off in pursuance of sub-rule of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: **N. A.**

6. Average net profit of the company as per section 135(5) for the last three financial years as per Section 198 of the Companies Act, 2013 was negative.

7. (a) Two percent of average net profit of the company as per section 135(5): **NIL**

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NIL**

   (c) Amount required to be set off for the financial year: **NIL**

   (d) Total CSR obligation for the financial year (7a+7b-7c): **NIL**

8. (a) CSR amount spent or unspent for the financial year:

<table>
<tr><th rowspan="3">Total Amount Spent for the Financial Year (in ₹)</th><th colspan="5">Amount Unspent (in ₹)</th></tr>
<tr><th colspan="2">Total Amount transferred to Unspent CSR Account as per section 135(6)</th><th colspan="3">Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)</th></tr>
<tr><th>Amount.</th><th>Date of transfer</th><th>Name of the Fund</th><th>Amount.</th><th>Date of transfer</th></tr>
<tr><td>2.12 Crore</td><td>N. A.</td><td>N. A.</td><td>N. A.</td><td>N. A.</td><td>N. A.</td></tr>
</table>

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (₹ in Crore)	Amount transferred to Unspent CSR Account for the project	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	Implementing Agency Name	CSR Registration number
				State	District								
1.	Anaaj plus	Health	Yes	Maharashtra		01/04/2020 to 31/03/2021		0.56	N.A.	NO	Implementing Agency	Wockhardt Foundation	CSR00000161
2.	Bio-Toilet	Health	No	Chennai		01/04/2020 to 31/03/2021		0.12	N.A.	NO	Implementing Agency	Wockhardt Foundation	CSR00000161
3.	E-Learning	Education	Yes	Maharashtra		01/04/2020 to 31/03/2021		0.06	N.A.	NO	Implementing Agency	Wockhardt Foundation	CSR00000161
4.	Mobile 1000	Health	Yes	Maharashtra	Aurangabad Van	01/04/2020 to 31/03/2021		1.30	N.A.	NO	Implementing Agency	Wockhardt Foundation	CSR00000161
5.	Covid Test	Health	Yes	Maharashtra		01/04/2020 to 31/03/2021		0.08	N.A.	NO	Implementing Agency	Wockhardt Foundation	CSR00000161
	TOTAL							2.12					

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year: **N. A.**

(d) Amount spent in Administrative Overheads : **N. A.**

(e) Amount spent on Impact Assessment, if applicable : **N. A.**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 2.12 Crore

(g) Excess amount for set off, if any : **N. A.**

9. (a) Details of Unspent CSR amount for the preceding three financial years: **N. A.**

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s): **N. A.**

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year –

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s) : **N. A.**

(b) Amount of CSR spent for creation or acquisition of capital asset : **N. A.**

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : **N. A.**

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) : **N. A.**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) : **N. A.**

Dr. H. F. KHORAKIWALA
Chairman of CSR Committee
DIN: 00045608

Dr. HUZAIFA KHORAKIWALA
Executive Director
DIN: 02191870

ANNEXURE IV TO THE BOARD'S REPORT

Form No. AOC–2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis:** NIL

2. **Details of material contracts or arrangements or transactions at arm's length basis:**

(a)	Name(s) of the related party and nature of relationship	Wockhardt Bio AG, Subsidiary of the Company
(b)	Nature of contracts/arrangements/transactions	Transfer or receipt of products, goods, materials, services etc.
(c)	Duration of the contracts/arrangements/transactions	Continuous basis
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	During the year 2020-21, 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 ₹ 737.46 crore.
(e)	Date(s) of approval by the Board, if any:	Please refer Note 1 below
(f)	Amount paid as advances, if any	N.A.

Notes: 1. As per Regulation 23 of the SEBI Listing Regulations, transactions with Wockhardt Bio AG were considered material and approval of shareholders has been obtained at the Annual General Meeting held on 15th September, 2014 for an estimated amount around USD 500 million every financial year.

For and on behalf of the Board of Directors

Dr. H. F. KHORAKIWALA
Chairman
DIN: 00045608

ANNEXURE V TO THE BOARD'S REPORT

[Disclosure pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014]

(i) Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the year 2020-21:

Name of Director	Designation	Ratio of the remuneration of director to the median remuneration of the employees for the year 2020-21
Dr. H. F. Khorakiwala	Chairman	56:1
Mr. Aman Mehta	Independent Director	2.19:1
Mr. Davinder Singh Brar	Independent Director	3.19:1
Dr. Sanjaya Baru	Independent Director	2.79:1
Mrs. Tasneem Mehta	Independent Director	2.99:1
Mr. Baldev Raj Arora	Independent Director	0.59:1
Mr. Vinesh Kumar Jairath	Independent Director	2.99:1
Mr. Akhilesh Gupta	Independent Director	1.39:1
Dr. Huzaifa Khorakiwala	Executive Director	48:1
Dr. Murtaza Khorakiwala	Managing Director	48:1
Ms. Zahabiya Khorakiwala	Non-Executive Director	1.19:1
Mrs. Rima Marphatia	Nominee Director	1.19:1

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 2020-21, 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 2020-21, there is no increase in remuneration of the Chairman/Executive Director/Managing Director during FY 2020-21.

During the F.Y. 2020-21 the increase in remuneration of Mr. Manas Datta, Chief Financial Officer (CFO) of the Company was 6%. Mr. Gajanand Sahu was appointed as the Company Secretary of the Company w.e.f. 12th May, 2020.

(iii) The percentage increase in the median remuneration of employees in the financial year: 5.77%

(iv) The number of permanent employees on the rolls of Company: 2982 as on 31st March, 2021

(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 2020-21, 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 2019-20, there is no change in remuneration of the Chairman/Executive Director/ Managing Director during the FY 2020-21.

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 5.77%.

It is hereby affirmed that the remuneration paid during the year 2020-21 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 VI TO THE BOARD'S REPORT

Your Company operates in a safe and environmentally responsible manner for the long-term benefit of all stakeholders. The Company is committed to take appropriate measures to conserve energy and drive energy efficiency in its operations.

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under Rule 8 of the Companies (Accounts) Rules, 2014 are provided below:

(A) CONSERVATION OF ENERGY:

(1) Steps Taken or impact on Conservation of Energy

- Most of the Street CFL replaced by LED in the factory premises, ware house and manufacturing area. Service floor florescent lamps replaced by LED which will help in saving of electrical energy.
- Power factor maintained up to unity (0.999 to 0.998).
- Maximum Demand reduced due to getting Load Factor benefits in monthly electricity bill.
- Limit switch installed on Air curtain to avoid Continuous operation and energy.
- Installation of VFD's at Non classified Air handling units and for hot water circulation pump resulting saving of electrical consumption.
- Installation of VFD Chiller's set point increased from 6.0 deg. C to 6.5 deg. C for reduction in Power consumption during normal relative humidity (50%) requirements for manufacturing.
- Pressure switch installed on Discharge line of 250 KL raw water underground pump to avoid continuous operation to save annual power consumption.
- AHU filter cleaning frequency extended monthly to bi-monthly which saved non production days as well as LAF and Dynamic pass box power (Power utilization) consumption.
- Installation of Tray Unloading system and Fixed Conveyor in cartridge filling area to reduce SS Collection Trays which need to autoclave before sending in aseptic area- result in saving power and fuel consumption.
- Pressure reducing station operating pressure reduced as per requirement and achieved fuel consumption saving up to 1.5%.
- As per area requirement of production, AHU Operation system (ON/OFF) is implemented and saving electrical units.
- Automation done in Chiller for effective operation.
- RO, UF and Purified reject water used in cooling tower and boiler water use instead of raw water.
- Solar electrical unit generation plant made operation for reduction of electrical unit cost.
- Optimum Utilization of Chillers, Circulation Pumps & Cooling Tower Fan (Saving of appr. 2000 Units / Day by close monitoring of chiller, its pumps & need base start/stop of cooling tower fan).
- Installation of Energy Efficient 40 KW Pump with VFD at Cooling Water Recirculation and at ETP Blower (Saving of 650 Units/Day).
- Reduced loading & unloading pressure of compressed air system.

(2) Steps taken by the Company for utilizing alternate sources of energy

- Solar Plant installed of 113 KW capacities at Daman.
- Minimized Utility water by, using bore well water for Utility operation and achieved electrical unit consumption saving is ₹ 3.5 Lac per month.
- Discussion under progress on solar system installation of 1.6MW at Shendra.

(3) The capital investment on energy conservation equipment

- Total Investment on energy conservation equipment during the FY 2020-21 at all manufacturing plants is ₹ 0.86 Crore.

(B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

1. The efforts made towards technology absorption:
NIL

2. Benefits derived like product improvement, cost reduction, product development or import substitution:

- Achieved significant improvements in yield at Biotech API, an improvement of 50% in Glargine at PRE and 18% in Insulin Yeast at PRC.
- Significant increase in through put at F2 since previous years. 50% increase from last FY 2019-20 year and 230% increase from FY 2018-19 with good decrease in per unit cost.
- Successfully launched several key new products like Emrok and Emrok O, etc. on time.

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	92.99	508.22
Revenue	172.45	113.56
Total	**265.44**	**621.78**

* Includes Intangible Assets under development.

(C) FOREIGN EXCHANGE EARNINGS & OUTGO

During the year, the Foreign Exchange Earnings was ₹ 100.91 crore and Foreign Exchange Outgo was ₹ 49.84 crore.

For and on behalf of the Board of Directors

Dr. H. F. KHORAKIWALA
Chairman
DIN: 00045608

ANNEXURE VII TO THE BOARD'S REPORT

FORM AOC - 1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014

Statement containing salient features of financial statement of subsidiaries/associate companies/joint ventures (Information in respect of each subsidiary to be represented with amount in ₹ Crore)

Part A "Subsidiaries"

Sr. No.	Name of the Subsidiary	The date since when subsidiary was acquired	Reporting currency	Exchange rate as on the last date of relevant financial year	Average exchange rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/(Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Proposed dividend	Extent of shareholding (in percentage)
1.	Wockhardt Infrastructure Development Limited	14/4/2006	INR	1.00	1.00	2.00	224.67	266.87	40.20	–	28.87	15.84	(0.97)	16.81	–	100.00
2.	Wockhardt Medicines Limited	25/3/2019	INR	1.00	1.00	0.05	(0.07)	0.00	0.02	–	–	(0.03)	–	(0.03)	–	100.00
3.	Z&Z Services GmbH @	21/4/2004	EUR	85.90	86.87	0.21	(1.77)	(0.93)	0.63	–	–	(0.03)	–	(0.03)	–	85.85
4.	Wockhardt Europe Limited	11/8/1999	GBP	100.88	97.47	13.19	(3.19)	9.54	–	0.46	0.02	(0.01)	–	(0.01)	–	100.00
5.	Wockhardt Nigeria Limited	10/1/2006	USD	73.12	74.11	0.58	(0.71)	0.11	0.24	–	–	–	–	–	–	100.00
6.	Wockhardt UK Holdings Limited	1/12/2003	GBP	100.88	97.47	2.77	101.26	73.79	0.02	30.26	–	(0.02)	–	(0.02)	–	100.00
7.	CP Pharmaceuticals Limited @	1/12/2003	GBP	100.88	97.47	24.54	155.15	460.10	280.41	–	423.51	56.53	9.93	46.60	–	85.85
8.	CP Pharma (Schweiz) AG @	1/12/2003	CHF	77.74	80.55	1.94	(0.75)	1.20	0.01	–	–	(0.03)	–	(0.03)	–	85.85
9.	Wallis Group Limited	18/2/1998	GBP	100.88	97.47	14.21	14.75	–	0.01	28.97	–	–	–	–	–	100.00
10.	The Wallis Laboratory Limited	18/2/1998	GBP	100.88	97.47	0.04	(2.47)	–	2.43	–	–	(0.06)	–	(0.06)	–	100.00
11.	Wockhardt Farmaceutica do Brazil Ltda	28/1/2004	USD	73.12	74.11	2.69	(3.68)	0.37	1.36	–	0.36	0.21	–	0.21	–	100.00
12.	Wallis Licensing Limited	18/2/1998	GBP	100.88	97.47	–	(11.40)	29.19	40.59	–	–	–	–	–	–	100.00
13.	Wockhardt USA LLC @	26/2/2004	USD	73.12	74.11	14.62	45.16	708.64	648.86	–	461.67	(32.51)	(10.32)	(22.19)	–	85.85
14.	Wockhardt Bio AG	17/10/2005	USD	73.12	74.11	410.99	2,392.42	3,535.81	1,869.72	1,137.31	1,221.31	214.72	19.73	194.99	–	85.85
15.	Wockhardt UK Limited @	2/6/2006	GBP	100.88	97.47	0.50	159.96	566.54	406.08	–	633.84	12.42	2.36	10.06	–	85.85
16.	Wockpharma Ireland Limited @	1/9/2006	EUR	85.90	86.87	515.39	274.07	1.65	161.01	948.82	–	2.48	0.42	2.06	–	85.85
17.	Pinewood Laboratories Limited @	1/10/2006	EUR	85.90	86.87	3.21	294.59	621.42	323.62	–	472.54	30.50	7.44	23.06	–	85.85
18.	Wockhardt Holding Corp @	17/10/2007	USD	73.12	74.11	190.12	(23.50)	54.94	191.51	303.20	–	(3.41)	–	(3.41)	–	85.85
19.	Morton Grove Pharmaceuticals Inc @	23/10/2007	USD	73.12	74.11	501.87	(187.73)	723.31	438.44	29.27	314.43	15.26	6.57	8.69	–	85.85
20.	MGP Inc @	23/10/2007	USD	73.12	74.11	–	31.39	39.72	8.33	–	35.19	2.69	–	2.69	–	85.85
21.	Wockhardt France (Holdings) S.A.S @	9/5/2007	EUR	85.90	86.87	516.24	(1,235.03)	1.52	720.31	–	–	(195.66)	–	(195.66)	–	85.85
22.	Laboratoires Pharma 2000 S.A.S @	17/5/2007	EUR	85.90	86.87	1.57	(30.73)	1.94	31.10	–	0.98	(4.32)	–	(4.32)	–	85.85
23.	Laboratoires Negma S.A.S @	17/5/2007	EUR	85.90	86.87	247.97	(253.20)	41.28	46.51	–	49.14	(221.43)	–	(221.43)	–	85.85
24.	Niverpharma S.A.S @	17/5/2007	EUR	85.90	86.87	1.37	(35.35)	3.01	36.99	–	–	(11.22)	–	(11.22)	–	85.85
25.	Negma Beneulex S.A @	17/5/2007	EUR	85.90	86.87	0.64	(0.59)	0.05	–	–	–	(0.05)	–	(0.05)	–	85.85
26.	Phytex S.A.S @	17/5/2007	EUR	85.90	86.87	9.20	(8.60)	0.62	0.02	–	–	(0.02)	–	(0.02)	–	85.85
27.	Wockhardt Farmaceutica SA DE CV @	21/6/2012	USD	73.12	74.11	21.10	(145.08)	(14.75)	109.23	–	–	(1.10)	–	(1.10)	–	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	73.12	74.11	0.03	(2.05)	7.69	9.71	–	–	–	–	–	–	85.85
29.	Pinewood Healthcare Limited @	1/10/2006	GBP	100.88	97.47	1.01	(1.07)	0.01	0.07	–	–	(0.06)	–	(0.06)	–	85.85
30.	Wockhardt Bio (R) @	25/8/2015	RUB	0.97	0.99	0.50	13.03	32.88	19.35	–	50.08	10.92	2.18	8.74	–	85.85
31.	Wockhardt Bio Pty Ltd @	19/8/2015	AUD	55.75	53.68	0.06	1.93	12.03	10.04	–	5.04	0.15	0.04	0.11	–	85.85
32.	Wockhardt Bio Ltd # @	11/11/2015	USD	73.12	74.11	–	–	–	–	–	–	–	–	–	–	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 Medicines Limited, and Wockhardt Bio Limited are yet to commence operations.
5. The investments made by all the subsidiary companies are only in their step-down subsidiaries, no other investments are made by these companies.
6. The Company does not have any Associate Company as defined under Section 2(6) of the Companies Act, 2013 or joint venture and hence, Part B is not applicable.
7. During the year, none of the subsidiary of the Company got liquidated or sold.
8. The details contained in above AOC-1 also indicates performance and financial position of each of the subsidiaries of the Company.

For and on behalf of the Board of Directors

H. F. Khorakiwala
Chairman
DIN: 00045608

Tasneem Mehta
DIN: 05009664

Huzaifa Khorakiwala
Executive Director
DIN: 02191870

Vinesh Kumar Jairath
DIN: 00391684

Murtaza Khorakiwala
Managing Director
DIN: 00102650

Akhilesh Gupta
DIN: 00359325

Zahabiya Khorakiwala
Non Executive Director
DIN: 00102689

Rima Marphatia
DIN: 00444343

Directors

Place : Mumbai
Date : May 27, 2021

Gajanand Sahu
Company Secretary

Manas Datta
Chief Financial Officer

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, 2021 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, 2020 - 31st March, 2021
7.	Sector(s) that company is engaged in (industrial activity code-wise)	NIC Code : 210 Description : Pharmaceuticals
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	a. Active Pharmaceutical Ingredients ('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 and Dubai. **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, Mexico, Brazil, Australia, New Zealand and Nigeria. **Direct marketing/Others** India, Russia, Brazil, Mexico, Vietnam, Philippines, Nigeria, Kenya, Ghana, Tanzania, Uganda, Nepal, Myanmar and Egypt.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR) : 55.39 crore
2. Total Turnover (INR) : 987.26 crore (from Continuing operations and excluding other income)
3. Total Profit after Taxes (INR) : 593.29 crore (Continuing operations + Discontinued Operations)
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): Not ascertainable as Profit After Tax during F.Y. 2020-21 is negative. Actual spent on CSR activities is ₹ 2.12 crore.

   Though, during FY 2020-21, 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 Act, was negative, nonetheless, as a continued better corporate governance practices, the Company has contributed ₹ 2.12 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 Companies Act, 2013 ('Act').

5. List of activities in which expenditure in 4 above has been incurred:
   - Promoting health care
   - Sanitation
   - Bio toilets
   - Safe drinking water

   Expenditure has been incurred for CSR Activities are as per the CSR Policy of the Company. The details of the same have been provided in a Report on CSR activities forming part of this Annual Report.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/Companies?

As of 31st March 2021, 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 it appropriate forum.	Y	The Company in its operations ensure customer value through its product design and labelling etc. However, no need has been felt to formulate a specific Policy for the same.
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y		Y	Y	Y	Y		Y	
3	Does the policy conform to any national/ international standards? If yes, specify? #	Y		Y	Y	Y	Y		Y	
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/CEO/appropriate Board of Director?	Y		Y	Y	Y	Y		Y	
5	Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y		Y	Y	Y	Y		Y	
6	Indicate the link for the policy to be viewed online?	* @		* @	@	@	@		*	
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y		Y	Y	Y	Y		Y	
8	Does the Company have in-house structure to implement the policy/ policies?	Y		Y	Y	Y	Y		Y	
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y		Y	Y	Y	Y		Y	
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y		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 2020-21; 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, 2021 was as under:

Sl. No.	Particulars	Nos.
1.	At the beginning of the year on 1st April, 2020	11
2.	Received during the year	28
3.	Resolved during the year	38
4.	Pending as on 31st March, 2021	1

   Shareholders' complaints

   During FY 2020-21, no complaints were received from the Company's equity shareholders.

   Apart from this, there were 376 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 354 letters were replied/resolved as of 31st March, 2021. The pending 22 request were received at the end of March 2021 and the same were replied/resolved post 31st March, 2021.

   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 19gm from 10gm. 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 standards required and regulatory norms.

The Company conducts Training Session for employees on Good Laboratory Practices, system processes, Good Documentation practices, Safety etc.

4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work?

If yes, what steps have been taken to improve the capacity and capability of local and small vendors?

The Company being into pharmaceuticals business operates in a stringent regulatory framework for its products and services. The Company follow strict sourcing procedures for its APIs, raw materials, packing materials, other chemicals etc. considering the requirements of applicable manufacturing and quality processes. Over the period, the Company has long and strong business relations with regular vendors and tries to encourage sourcing of the goods and services from appropriate vendors including local and small, wherever applicable.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste? (Separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company has a mechanism to recycle or dispose material including waste in an 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.

- Approximately 15% of the waste water generated from API utility section is recycled for gardening and other Non-process works.

This has resulted in reduction of equivalent raw water consumption and thereby contribution to resource saving and energy conservation.

Principle 3:

<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>2,892</td></tr>
<tr><td>2</td><td colspan="2">Please indicate the Total number of employees hired on temporary/contractual/casual basis.</td><td>733</td></tr>
<tr><td>3</td><td colspan="2">Please indicate the Number of permanent women employees</td><td>206</td></tr>
<tr><td>4</td><td colspan="2">Please indicate the Number of permanent employees with disabilities</td><td>1</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 3.56%</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 strives in all respect to take initiatives for addressing global environmental issues like climate change, global warming etc.

   We have reduced the carbon footprint such as replacing of the harmful refrigerant to low ozone depleting refrigerant.

   Replaced the fuel for boiler by Agricultural biomass known as briquette which is green fuel.

   We have replaced the almost 90% of CFL lamps with LED lamps there by reducing the energy consumption.

   All new Ac's are procured with 5 star rating having less energy consumption.

   Most of the high energy consuming motors are provided with VFD for ensuring power conservation.

   All vehicles entering the site are ensured having valid pollution under control certification.

   Energy conservation day is celebrated and awareness created to reduce the carbon foot print.

3. **Does the Company identify and assess potential environmental risks?**

   Yes

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

At present, the Company is planning solar power generation project related to Clean Development Mechanism.

5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy etc.? If yes, please give hyperlink to web page etc.

Yes. The Company continues to undertake several initiatives for energy efficiency and cleaner technologies. Some of the energy efficient initiatives carried out by the Company at different units are as under:

(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.
- 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 for reduction in Power consumption.
- 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 energy saving.
- Replacement of V belt with flat belt system in phase wise manner.
- Phase wise replacement of old low efficiency motor with high efficiency motors.
- 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.

(3) Solar Power generation – Under consideration

The details of the same have also been provided in Board's Report forming part of this Annual Report (http://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.

The emissions from the Boiler stack are within the SPCB limit as we have installed many dust control system such as:

- Installed bag filter containing 280 filter bags to arrest the fine dust particle.
- Installed pre heat exchanger to boiler to reduce the stack discharge temperature as well to improve the boiler efficiency by preheating the water through preheater with stack gases.
- Installed the flash back arrestor to improve the bag filter shelf life.

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
- YPO- WPO International
- ICC India
- Pharma Infotech International
- Ananta Centre
- Young President Organisation
- Entrepreneurs Organization Mumbai
- Indian Pharmaceutical Alliance
- Pharma Infotech International
- Pharmaceuticals Export Promotion
- Rotary Club of Bombay North
- Rotary Club of Bombay Pier

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 FY 2020-21, 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 ₹ 2.12 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 percentages of customer complaints/consumer cases are pending as on the end of financial year?**

   As on 31st March, 2021, there were no 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, 2021 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, 2021 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, 2021 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[5]	Last Annual General Meeting (3rd August, 2020)
Dr. Habil Khorakiwala ***Chairman*** DIN: 00045608	Executive/Promoter	14	1	Nil	Nil	6	Yes
Mr. Aman Mehta DIN: 00009364	Independent	3	3	1	2	6	Yes
Mr. D S Brar DIN: 00068502	Independent	13	3	2	3	6	Yes
Dr. Sanjaya Baru DIN: 05344208	Independent	1	1	Nil	1	6	Yes
Mrs. Tasneem Mehta DIN: 05009664	Independent	Nil	Nil	Nil	Nil	6	Yes
Mr. Vinesh Kumar Jairath DIN: 00391684	Independent	6	6	Nil	5	6	Yes
Mr. Akhilesh Gupta [6] DIN: 00359325	Independent (Additional Director)	Nil	Nil	Nil	Nil	3	NA
Mrs. Rima Marphatia DIN: 00444343	Nominee/ Representing Export-Import Bank of India	Nil	Nil	Nil	Nil	6	Yes
Dr. Huzaifa Khorakiwala ***Executive Director*** DIN: 02191870	Executive/Promoter	17	2	Nil	1	6	Yes
Dr. Murtaza Khorakiwala ***Managing Director*** DIN: 00102650	Executive/Promoter	8	2	1	Nil	6	Yes
Ms. Zahabiya Khorakiwala DIN: 00102689	Non-Executive Non-Independent/ Promoter	8	3	1	Nil	6	Yes
Mr. Baldev Raj Arora [7] DIN: 00194168	Independent	1	1	1	1	1	NA

(1) *The number of total directorships is in accordance with Section 165 of the Companies Act, 2013 which excludes foreign companies and Section 8 Companies.*

(2) *Excludes directorships in Private Limited Companies, Foreign Companies and Section 8 Companies.*

(3) *This includes only Chairmanships/Memberships of the Audit Committee and Stakeholders Relationship Committee of all other listed and unlisted public limited companies as per Regulation 26 of the SEBI Listing Regulations.*

(4) *A Director, wherever he is the Chairperson of the Committee, is also a member of the Committee.*

(5) *All the Directors attended the Board meetings held through Video Conference.*

(6) *Mr. Akhilesh Gupta was appointed as an Independent Director effective 29th August, 2020.*

(7) *Mr. Baldev Raj Arora ceased to be the Director of the Company effective 27th May, 2020 due to completion of his term as Independent Director.*

Names of the listed entities where the said persons are Directors and the category of their directorship are as follows:

Name of Directors	Name of other listed entities in which he is Director	Category of Directorship
Dr. Habil Khorakiwala	Nil	Not Applicable
Mr. Aman Mehta	Max Financial Services Limited	Independent Director
	Godrej Consumer Products Limited	Independent Director
	Tata Steel Limited	Independent Director
Mr. D S Brar	Mphasis Limited	Independent Director
	Maruti Suzuki India Limited	Independent Director
	EPL Limited	Independent Director
Dr. Sanjaya Baru	Artemis Medicare Services Limited	Independent Director
Mrs. Tasneem Mehta	Nil	Not Applicable
Mr. Vinesh Kumar Jairath	The Bombay Dyeing and Manufacturing Company Limited	Independent Director
	Kirloskar Oil Engines Limited	Non-Executive Non-Independent Director
	Kirloskar Industries Limited	Non-Executive Non-Independent Director
	The Bombay Burmah Trading Corporation Limited	Independent Director
Mr. Akhilesh Gupta	Nil	Not Applicable
Mrs. Rima Marphatia	Nil	Not Applicable
Dr. Huzaifa Khorakiwala	Nil	Not Applicable
Dr. Murtaza Khorakiwala	Nil	Not Applicable
Ms. Zahabiya Khorakiwala	RPG Life Sciences Limited	Independent Director

As detailed in the table, none of the Directors hold directorships in more than 20 Companies (including limit of maximum directorship in 10 Public Companies) pursuant to the provisions of Section 165 of the Companies Act, 2013 ('Act').

Further, in compliance with Regulation 17A of the SEBI Listing Regulations, none of the Independent Directors hold directorships in more than seven listed companies. Further, none of the Directors who serve 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.

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. Habil 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 29th January, 2021. 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-Independent-Directors-21621.pdf

(b) Board Meetings and Procedures

During the year under review, 6 (Six) Board Meetings were held on 11th May, 2020, 9th June, 2020, 3rd August, 2020, 29th August, 2020, 2nd November, 2020 and 29th January, 2021. 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. 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. The Board members had 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.

Board Skill Matrix

The Board of Directors of the Company comprises of qualified members who possess relevant skills, expertise and competence for the effective functioning of the Company.

Sr. No	Experience/ Attribute/ Expertise	Comments
1	Leadership	Ability to envision the future and prescribe a strategic goal for the Company, help the Company to identify possible road maps, inspire and motivate the strategy, approach, processes and other such key deliverables and mentor the leadership team to channelize its energy/ efforts in appropriate direction. Be a thought leader for the Company and be a role model in good governance and ethical conduct of business, while encouraging the organization to maximize shareholder value. Should have had hands on experience of leading an entity at the highest level of management practices.
2	Industry knowledge and experience	Should possess domain knowledge in businesses in which the Company participates viz. in the fields of Pharmaceuticals, Biotechnology and a chain of advanced Super Speciality Hospitals. Must have the ability to leverage the developments in the areas as appropriate for betterment of Company's business.
3	Experience and Exposure in policy shaping and industry advocacy	Should possess ability to develop professional relationship with the Policy makers and Regulators for contributing to the shaping of Government policies in the areas of Company's businesses.
4	Governance including legal compliance	Commitment, belief and experience in setting corporate governance practices to support the Company's robust legal compliance systems and governance policies/practices.
5	Expertise/Experience in Finance & Accounts / Audit / Risk Management areas	Ability to understand financial policies, accounting statements and disclosure practices and contribute to the financial/risk management policies/ practices of the Company across its business lines and geography of operations.
6	Global Experience / International Exposure	Ability to have access and understand business models of global corporations, relate to the developments with respect to leading global corporations and assist the Company to adapt to the local environment, understand the geo political dynamics and its relations to the Company's strategies and business prospects and have a network of contacts in global corporations and industry worldwide.
7	Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
8	Pharmaceuticals, Science and Technology	Significant background and experience in pharmaceuticals sector, science and technology domain
9	Manufacturing, Quality and Supply Chain	Operational expertise and technical know-how in the area of manufacturing, quality and supply chain
10	M&A and Business Development	Examining M&A deals for inorganic growth in line with the Company's growth strategy
11	Sales, Marketing, Commercial	Experience in strategizing market share growth, building brand awareness, enhancing enterprise reputation

Sr No.	Name of Directors	Experience/ Attribute/ Expertise										
		1	2	3	4	5	6	7	8	9	10	11
1	Dr. Habil Khorakiwala	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Mr. Aman Mehta	✓	✓	✓	✓	✓	✓	✓			✓	✓
3	Mr. D S Brar	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Dr. Sanjaya Baru	✓	✓	✓	✓	✓	✓	✓				✓
5	Mrs. Tasneem Mehta	✓	✓	✓	✓	✓		✓				✓
6	Mr. Vinesh Kumar Jairath	✓	✓	✓	✓	✓	✓	✓				✓
7	Mr. Akhilesh Gupta	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
8	Mrs. Rima Marphatia	✓		✓	✓	✓		✓				✓
9	Dr. Huzaifa Khorakiwala	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	Dr. Murtaza Khorakiwala	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
11	Ms. Zahabiya Khorakiwala	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

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;
- Reviewing the functioning of Whistle Blower Mechanism and
- The Audit Committee has all the powers as specified in Regulation 18 of the SEBI Listing Regulations to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary and pursuant to Section 177 of the Act.

(ii) Meetings

During the year under review, the Audit Committee met 4 (Four) times on 11th May, 2020, 29th August, 2020, 2nd November, 2020, 29th January, 2021. The maximum gap between any two consecutive meetings was not more than one hundred and twenty days.

(iii) Composition

As on 31st March, 2021, 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	4
Mr. D S Brar	Member	Independent	Business Professional	4
Dr. Sanjaya Baru	Member	Independent	Economist	4
Mrs. Tasneem Mehta	Member	Independent	Business Professional	4
Mr. Vinesh Kumar Jairath	Member	Independent	Business Professional	4
Mr. Akhilesh Gupta@	Member	Independent	Business Professional	2
Mr. Baldev Raj Arora*	Member	Independent	Business Professional	1

@ Mr. Akhilesh Gupta was appointed as Member of the Audit Committee effective 29th August, 2020.

** Mr. Baldev Raj Arora ceased to be a member of the Audit Committee effective 27th May, 2020 due to completion of his term as an Independent Director.*

All the members of the Audit Committee are financially literate and possess accounting or related financial management expertise by virtue of their experience and background. Mr. Aman Mehta, was the Chairman of the Audit Committee of the Company throughout the year.

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 11th May, 2020, 29th August, 2020, 2nd November, 2020 and 29th January, 2021.

(iii) Composition

As on 31st March, 2021, 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	4
Mr. D S Brar	Member	Independent	Business Professional	4
Mrs. Tasneem Mehta	Member	Independent	Business Professional	4
Mr. Vinesh Kumar Jairath	Member	Independent	Business Professional	4
Mr. Akhilesh Gupta@	Member	Independent	Business Professional	2
Mr. Baldev Raj Arora*	Member	Independent	Business Professional	1

Dr. Sanjaya Baru, Chairman of the Stakeholders Relationship Committee was present at the AGM of the Company held on 3rd August, 2020 and has answered the queries of security holders.

@ Mr. Akhilesh Gupta was appointed as Member of the Stakeholders Relationship Committee effective 29th August, 2020.

** Mr. Baldev Raj Arora ceased to be a member of the Audit Committee effective 27th May, 2020 due to completion of his term as an Independent Director.*

(b) Compliance Officer

Mr. Gajanand Sahu is the Company Secretary and Compliance Officer of the Company.

Shareholders Complaints and Redressal

The Registrar and Transfer Agents ('RTA') of the Company is Link Intime India Private Limited, who handles the investor grievances in coordination with the Compliance Officer of the Company.

The Company duly monitors the functioning of the RTA to ensure that the investor grievances are resolved expeditiously and to the satisfaction of the shareholders.

During FY 2020-21, no complaints were received from the Company's equity shareholders.

There were 376 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 354 letters were replied/resolved as of 31st March, 2021. The pending 22 requests were received at the end of March 2021 and the same were replied/resolved post 31st March, 2021.

As on 31st March, 2021, 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, 2 (Two) meetings of the NRC were held on 11th May, 2020 and 29th August, 2020 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, 2021, 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	2
Dr. Habil Khorakiwala	Member	Executive Chairman	Business Professional	2
Mr. Aman Mehta	Member	Independent	Business Professional	2
Dr. Sanjaya Baru	Member	Independent	Economist	2

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, Risk Management Committee and Capital Raising Committee attended by them and reimbursement of expenses towards attending the meetings.

The remuneration paid/payable to each Director for the financial year ended 31st March, 2021 is as under:

Name of Director	Tenure upto	No. of equity shares held by Directors as on 31st March, 2021	Remuneration for the financial year ended 31st March, 2021 (₹ in crore)		
			Sitting fees	Salary and Perquisites	Total
Dr. Habil Khorakiwala&	28th February, 2025	459,451	N.A.	2.80	2.80
Mr. Aman Mehta**	31st March, 2024	Nil@@	0.11	N.A.	0.11
Mr. D S Brar**		500	0.16	N.A.	0.16
Dr. Sanjaya Baru**		500	0.14	N.A.	0.14
Mrs. Tasneem Mehta#	29th September, 2024	Nil	0.15	N.A.	0.15
Mr. Vinesh Kumar Jairath	9th November, 2021	Nil	0.15	N.A.	0.15
Mr. Akhilesh Gupta#	2nd August, 2021	Nil	0.07	N.A	0.07
Mrs. Rima Marphatia	—	Nil	0.06	N.A.	0.06
Dr. Huzaifa Khorakiwala@	30th March, 2024	216,000	N.A.	2.40	2.40
Dr. Murtaza Khorakiwala@		226,200	N.A.	2.40	2.40
Ms. Zahabiya Khorakiwala$	—	Nil	0.06	N.A.	0.06
Mr. Baldev Raj Arora$$	27th May, 2020	Nil	0.03	N.A.	0.03

& *Dr. Habil Khorakiwala has been re-appointed for a term of 5 (five) years with effect from 1st March, 2020 as an Executive Chairman of the Company at the Annual General Meeting held on 14th August, 2019 by way of a special resolution.*

** *Mr. Aman Mehta, Mr. D S Brar and Dr. Sanjaya Baru were appointed for the second term of 5 (five) years as Independent Directors from the end of the current tenure i.e. 31st March, 2019 at the Annual General Meeting of the Company held on 4th August, 2018.*

Mrs. Tasneem Mehta has been re-appointed for the second term of 5 (five) years from 30th September, 2019 to 29th September, 2024 as an Independent Director at the Annual General Meeting held on 14th August, 2019 by way of special resolution.

@ *Dr. Huzaifa Khorakiwala and Dr. Murtaza Khorakiwala were appointed for the term of 5 (five) years as an Executive Director and Managing Director respectively from the end of the current tenure i.e. 30th March, 2019 at the Annual General Meeting of the Company held on 4th August, 2018.*

$ *Ms. Zahabiya Khorakiwala was appointed as Director (Non-Executive Non-Independent) of the Company at the Annual General Meeting of the Company held on 4th August, 2018.*

Mr. Akhilesh Gupta was appointed as an Independent (Additional) Director effective 29th August, 2020 till the ensuing AGM, his appointment will be regularized in the ensuing AGM to be held on 2nd August, 2021.

@@ *Mr. Aman Mehta has transferred 2500 equity shares to trust.*

$$ *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 tenure of Mr. Baldev Raj Arora was 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, 2021.
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 2020-21, 2 (Two) meetings of CSR Committee meetings were held on 11th May, 2020 and 29th January, 2021 the same were attended by all the members of the Committee.

(iii) Composition

As on 31st March, 2021, the CSR Committee comprises of Dr. Habil Khorakiwala, Executive Chairman, Dr. Huzaifa Khorakiwala, Executive Director, Mr. D S Brar, Independent Director and Mr. Aman Mehta, Independent Director as its members.

Dr. Habil Khorakiwala is the Chairman of the CSR Committee.

The report on CSR is also provided in the Board's Report which forms part of this Annual Report.

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

During the year 2020-21, 2 (Two) meetings of RMC Committee meetings were held on 29th June, 2020 and 23rd March, 2021 the same were attended by all the members of the Committee.

(iii) Composition

The Risk Management Committee comprises of Dr. Habil Khorakiwala, Executive Director, Chairman, Dr. Murtaza Khorakiwala, Managing Director, Mr. D S Brar, Independent Director and Mr. Manas Datta, Chief Financial Officer as its members. Dr. Habil 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;
- To do all such acts, deeds, actions in relation to seeking in-principle approval of the Stock Exchanges, opening and closing the period of subscription of the Issue, determine the issue price in respect of the Securities and allot the Securities and to amend, vary or modify any of the above as may be desirable.
- Delegate authorities from time to time to the executives/authorized persons to implement the decisions of the Committee;
- Carry out any such function as mandated by the Board and/or enforced by way of any statutory amendments as may be necessary for effective performance of its duties.

(ii) Meetings

During the year under review, 8 (Eight) meetings of Credit Facilities Committee were held on 11th May, 2020, 17th July, 2020, 23rd September, 2020, 18th January, 2021, 3rd February, 2021, 24th February, 2021 and 17th March, 2021, 25th March, 2021 which were attended by all the members of the Committee.

(iii) Composition

As on 31st March, 2021, the Committee comprises of three Directors viz. Dr. Habil Khorakiwala, Executive Chairman, Dr. Huzaifa Khorakiwala, Executive Director and Dr. Murtaza Khorakiwala, Managing Director as its members. Dr. Habil Khorakiwala is the Chairman of the Credit Facilities Committee.

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, 3 (Three) meetings Share Allotment Committee meetings were held on 23rd September, 2020, 16th December, 2020 and 9th March, 2021. The Committee meetings were attended by all the members.

(iii) Composition

As on 31st March, 2021, the Committee comprises of three Directors viz. Dr. Habil Khorakiwala, Executive Chairman, Dr. Huzaifa Khorakiwala, Executive Director and Dr. Murtaza Khorakiwala, Managing Director as its members. Dr. Habil Khorakiwala is the Chairman of the Share Allotment Committee.

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, no meeting happened for the said Committee.

(iii) Composition

As on 31st March, 2021, ESOS Compensation Committee comprises of Dr. Sanjaya Baru, Chairperson of the Committee (Independent Director), Dr. Habil Khorakiwala (Executive Chairman) and Mrs. 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.
- To do all such acts, deeds, actions in relation to seeking in-principle approval of the Stock Exchanges, opening and closing the period of subscription of the Issue, determine the issue price in respect of the Securities and allot the Securities and to amend, vary or modify any of the above as may be desirable.

(ii) Meetings

During the year under review, 1 (One) meeting of the Capital Raising Committee was held on 13th October, 2020 through Video Conferencing Mode. The Meeting were attended by all members of the Company except Dr. Habil Khorakiwala and Dr. Murtaza Khorakiwala who could not attend the meeting and leave of absence was granted to them.

As Dr. Habil Khorakiwala, Chairman of the Capital Raising Committee was not present at the meeting, after discussions, Mr. Vinesh Kumar Jairath 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, 2021, Capital Raising Committee comprises of Dr. Habil Khorakiwala, Executive Chairman, Mrs. Tasneem Mehta, Independent Director, Mr. Vinesh Kumar Jairath, Independent Director and Dr. Murtaza Khorakiwala, Executive Directors as its members. Dr. Habil Khorakiwala is the Chairman 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, 2020	Monday, 3rd August, 2020	12.00 noon	Through Video Conferencing(VC)/other Audio Visual means(OAVM)	1) Approval for raising of additional capital by way of one or more public or private offerings including through a Qualified Institutions Placement ('QIP') to eligible investors through an issuance of equity shares or other eligible securities for an amount not exceeding ₹ 1,500 crore
31st March, 2019	Wednesday, 14th August, 2019	12.00 noon	The Benchmark, Nakshatrawadi, Paithan Road, Aurangabad- 431 005	1) Re-appointment of Dr. Habil Khorakiwala as an Executive Chairman and Fixation of Remuneration. 2) Re-appointment of Mrs. Tasneem Mehta as an Independent Director of the Company. 3) Approval for raising of additional capital by way of one or more public or private offerings including through a Qualified Institutions Placement ('QIP') to eligible investors through an issuance of equity shares or other eligible securities for an amount not exceeding ₹ 1,500 crore.
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. D S 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.

b) Extraordinary General Meeting:

No Extraordinary General meeting of the members was held during FY 2020-21.

c) Postal Ballots:

During the year under review, no resolution was passed via Postal Ballot.

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, 2021. 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, 2021. The certificate has been reviewed by the Audit Committee and taken on record by the Board at the meeting held on 27th May, 2021.

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, 2021, Wockhardt USA LLC, Wockhardt Bio AG, Wockhardt UK Limited, Pinewood Laboratories Limited, Morton Grove Pharmaceuticals Inc, CP Pharmaceuticals Limited 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 has unlisted material subsidiaries incorporated in India/outside India, hence, Dr. Sanjaya Baru, an Independent Director of the Company was appointed on the Supervisory Board of Wockhardt USA LLC.

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. Habil Khorakiwala is the Chairman and Dr. Murtaza Khorakiwala is the Managing Director of the Company.
- Modified Opinion in Audit Report – The Statutory Auditors of the Company have not raised any qualifications/modified opinion on the financial statements of 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21 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, 2020 applicable with effect from 17th July, 2020 and Securities and Exchange Board of India (Prohibition of Insider Trading) (Second Amendment) Regulations, 2020 applicable with effect from 29th October, 2020, along with adoption of all the requisite policies.

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, 2021 forms part of this Report.

8. GENERAL SHAREHOLDER INFORMATION

22nd Annual General Meeting

The 22nd AGM of the Company will be held on Monday, 2nd August, 2021 at 11.00 am through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") pursuant to the MCA circular dated 5th May 2020 and 13th January, 2021, 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, 2021 to 31st March, 2022

Tentative Schedule for declaration of financial results during the financial year 2021-22 and holding of AGM is as under:

Results of Quarter ending 30th June, 2021	On or before 14th August, 2021
Results of Quarter ending 30th September, 2021	On or before 14th November, 2021
Results of Quarter ending 31st December, 2021	On or before 14th February, 2022
Results for financial year ending 31st March, 2022	On or before 30th May, 2022
AGM for the year ending 31st March, 2022	On or before 30th September 2022

Book Closure Date

27th July, 2021 to 2nd August, 2021 (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, 2021.

Stock Codes

(a) Stock code

BSE Limited (BSE) : 532300
National Stock Exchange of India Limited (NSE) : WOCKPHARMA

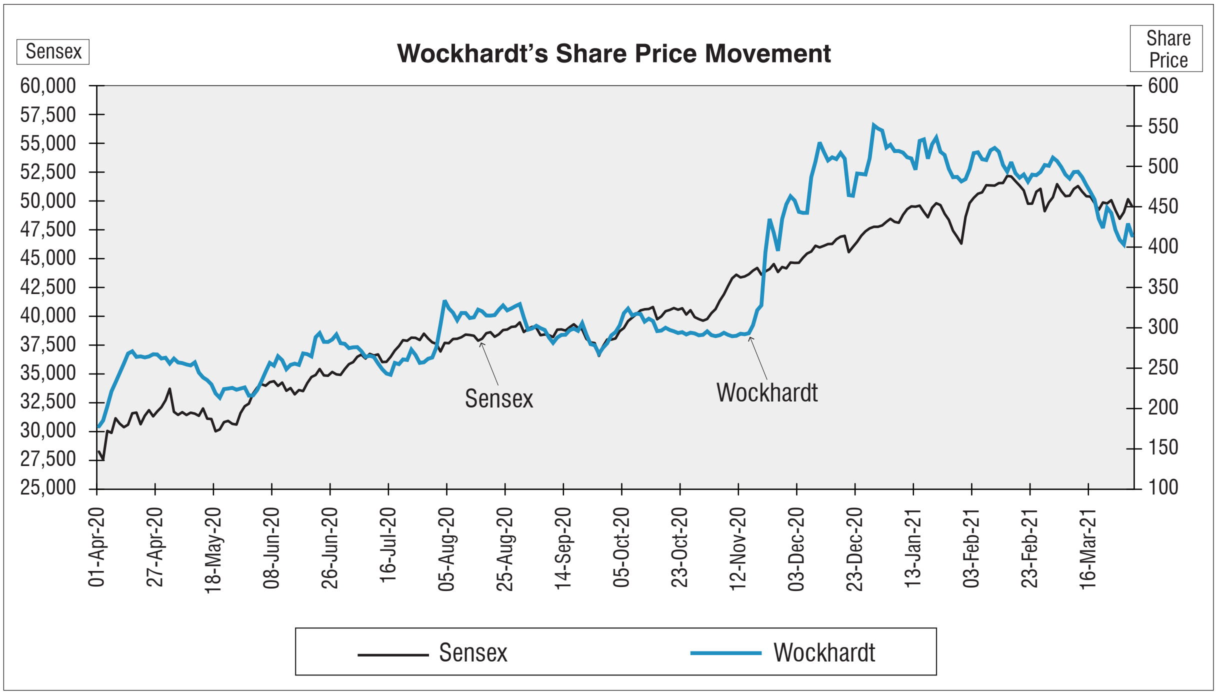
(b) Corporate Identity Number (CIN) : L24230MH1999PLC120720

MARKET PRICE DATA: High/Low and number of shares traded during each month in the financial year 2020-21 on NSE and BSE

Month	NSE			BSE		
	High (₹)	Low (₹)	Monthly Volume	High (₹)	Low (₹)	Monthly Volume
April - 2020	280.00	173.05	9,622,418	280.00	173.80	1,106,363
May - 2020	268.50	210.60	9,247,888	268.70	211.00	1,968,501
June - 2020	309.45	214.75	25,163,401	309.50	214.60	2,949,774
July - 2020	283.70	237.65	17,178,105	283.55	237.90	1,981,568
August - 2020	343.00	276.00	29,885,691	342.75	276.00	3,013,985
September - 2020	310.95	266.00	8,420,314	312.55	266.00	745,037
October - 2020	332.40	284.10	10,577,573	332.40	284.50	985,483
November - 2020	472.45	285.50	29,495,067	474.20	286.15	2,500,863
December - 2020	569.80	424.85	34,924,220	569.80	425.05	3,140,414
January - 2021	558.00	471.00	21,124,208	558.00	471.35	1,634,680
February - 2021	540.00	476.15	15,233,683	540.00	477.00	1,193,695
March - 2021	519.40	402.00	12,840,650	519.15	401.10	1397,223

Source: Websites of NSE and BSE

STOCK PRICE PERFORMANCE INDEX IN COMPARISON WITH BSE SENSEX FOR THE FINANCIAL YEAR 2020-21



Source: Websites of BSE and NSE

9. SUSPENSION FROM TRADING:

No securities of the Company have been suspended from trading on any of the stock exchanges where they are listed.

10. 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

11. SHARE TRANSFER SYSTEM

SEBI has mandated that securities of listed companies can be transferred only in dematerialized form from 1st April, 2019, barring certain instances. In view of the above; and to avail various benefits of dematerialization / for ease of convenience, members are advised to dematerialize shares held by them in physical form.

Requests for dematerialization/rematerialization of shares are processed and the confirmation is given to depositories within 15 days/30 days, from the date of receipt, as may be applicable, if the documents are in order.

The Company has complied with the requirements of Regulation 40 read with Schedule VII of the SEBI Listing Regulations with respect to all formalities of transfer or transmission of shares.

Company obtains a half-yearly Compliance Certificate from a Company Secretary in Practice as required under Regulation 40(9) of the SEBI Listing Regulations and file a copy of the said Certificate with the Stock Exchanges.

Pursuant to Regulation 7(3) of the SEBI Listing Regulations, Compliance Certificate, duly signed by the Compliance Officer and the authorized representative of the Company's RTA viz. Link Intime India Private Limited confirming that all activities in relation to share transfer facility are being maintained by the RTA for the half year ended 30th September, 2020 and 31st March, 2021 have been duly submitted to the Stock Exchanges.

12. 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, 2021, 110,197,454 equity shares representing 99.47% of the Company's total paid-up equity share capital were held in dematerialized mode. Out of Public Shareholding of 30,885,811 equity shares, 30,302,112 equity shares representing 98.11% of the Public Shareholding is in dematerialized mode.

The International Securities Identification Number (ISIN) assigned to Company's Equity Shares is INE049B01025.

13. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2021

No. of Equity Shares	No. of Shareholders	% of total Shareholders	Amount in ₹	% of total Amount
1 – 500	120,982	93.90	46,535,425	8.40
501 – 1000	5,151	4.00	18,365,900	3.32
1001 – 2000	1,544	1.20	11,298,455	2.03
2001 – 3000	428	0.33	5,469,310	0.99
3001 – 4000	214	0.17	3,800,720	0.69
4001 – 5000	136	0.10	3,204,080	0.58
5001 – 10000	207	0.16	7,531,475	1.36
Above 10000	186	0.14	457,700,400	82.63
TOTAL	**128,848**	**100.00**	**553,905,765**	**100.00**

14. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2021

Sr. No.	Categories	No. of Equity Shares	Amount in ₹	% to total Paid-up Capital
A)	Promoters & Promoter Group	79,895,342	399,476,710	72.12
B)	Public shareholding	30,703,887	153,519,435	27.72
C)	IEPF	181,924	909,620	0.16
D)	Non-Promoter – Non Public	—	—	—
D1)	Shares Underlying DRs	—	—	—
D2)	Shares Held By Employee Trust	—	—	—
	TOTAL (A+B+C+D)	**110,781,153**	**553,905,765**	**100.00**

Notes:

1. During the year under review, the Company redeemed 160,000,000 0.01% Non-Convertible Cumulative Redeemable Preference Shares ('NCRPS Series 5') of Face value of ₹ 5 each and 500,000,000 4% Non-Convertible Non-Cumulative Redeemable Preference Shares ('NCCRPS') of Face value of ₹ 5 each along with the accumulated dividend and redemption premium, if any on 19th October, 2020 on predetermined terms and conditions as decided earlier at the time of issuance/extension of said Preference Shares, before the due date of the redemption as per the agreed terms of issuance/extension of the said Preference Shares.

2. *During the year, paid up Equity Share Capital of the Company has been increased by ₹ 230,750 due to allotment of 46,150 equity shares of ₹ 5 each pursuant to exercise of stock options.*

15. UNCLAIMED DIVIDENDS

The Company is required to transfer dividend which remained unpaid / unclaimed for a period of seven years to the Investor Education and Protection Fund ('IEPF') established by the Central Government. Dividend declared upto the year ended 31st March, 2014 were transferred to IEPF Account. As on 31st March, 2021, 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
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.

16. OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

As on 31st March, 2021, the Company has no outstanding GDR's and convertible instruments.

17. EQUITY SHARE CAPITAL HISTORY OF THE COMPANY SINCE INCORPORATION UP TO 31ST MARCH, 2021

Date of allotment	No. of equity shares	Cumulative No. of Equity Shares	Face value (in ₹)	Consideration	Nature of allotment	Cumulative share capital (in ₹)
11.02.2000	35,061,652	35,061,652	10	Allotted to the shareholders of Wockhardt Life Sciences Ltd in the ratio of 1:1 i.e. one Equity Share of the Company for every one Equity Share of Wockhardt Life Sciences Ltd held by them	Pursuant to scheme of demerger of Wockhardt Life Sciences Limited and acquisition of pharmaceuticals division by the Company	350,616,520
22.04.2000	1,200,000	36,261,652	10	Allotted to the shareholders of Wockhardt Veterinary Limited in the ratio of 1:4 i.e. one Equity Share of the Company for every four Equity Shares of Wockhardt Veterinary Limited	Pursuant to amalgamation of Wockhardt Veterinary Limited with the Company	362,616,520
14.08.2002	3,600	36,265,252	10	Cash	Allotment of shares pursuant to exercise of stock options	362,652,520
07.01.2003	2,700	36,267,952	10	Cash		362,679,520
16.09.2003	16,700	36,284,652	10	Cash		362,846,520
14.10.2003	5,550	36,290,202	10	Cash		362,902,020
25.11.2003	1,700	36,291,902	10	Cash		362,919,020
31.12.2003	3,950	36,295,852	10	Cash		362,958,520
15.01.2004	15,350	36,311,202	10	Cash		363,112,020
23.02.2004	9,700	36,320,902	10	Cash		363,209,020
05.04.2004	9,450	36,330,352	10	Cash		363,303,520
24.04.2004	1,650	36,332,002	10	Cash		363,320,020
07.05.2004	–	72,664,004	5	Sub-division of 36,332,002 shares of Face Value ₹ 10/- each to Face Value ₹ 5/- each	Sub-division of shares of Face Value ₹ 10/- each to Face Value ₹ 5/- each.	363,320,020
08.05.2004	36,332,002	108,996,006	5	Bonus shares	Allotment of bonus shares in the ratio of 1:2	544,980,030
21.01.2005	70,350	109,066,356	5	Cash	Allotment of shares pursuant to exercise of stock options	545,331,780
21.02.2005	29,550	109,095,906	5	Cash		545,479,530
14.03.2005	25,350	109,121,256	5	Cash		545,606,280
06.04.2005	17,250	109,138,506	5	Cash		545,692,530
09.06.2005	4,149	109,142,655	5	Cash		545,713,275
12.09.2005	13,299	109,155,954	5	Cash		545,779,770
13.10.2005	141,397	109,297,351	5	Cash	FCCB Conversion	546,486,755

Date of allotment	No. of equity shares	Cumulative No. of Equity Shares	Face value (in ₹)	Consideration	Nature of allotment	Cumulative share capital (in ₹)
09.11.2005	2,250	109,299,601	5	Cash	Allotment of shares pursuant to exercise of stock options	546,498,005
11.01.2006	81,000	109,380,601	5	Cash		546,903,005
28.02.2006	39,450	109,420,051	5	Cash		547,100,255
28.04.2006	5,850	109,425,901	5	Cash		547,129,505
16.08.2006	10,002	109,435,903	5	Cash		547,179,515
19.12.2012	122,200	109,558,103	5	Cash		547,790,515
21.01.2013	25,300	109,583,403	5	Cash		547,917,015
29.08.2013	167,750	109,751,153	5	Cash		548,755,765
07.04.2014	8,000	109,759,153	5	Cash		548,795,765
29.05.2014	248,750	110,007,903	5	Cash		550,039,515
20.10.2014	32,500	110,040,403	5	Cash		550,202,015
20.01.2015	25,750	110,066,153	5	Cash		550,330,765
25.02.2015	6,750	110,072,903	5	Cash		550,364,515
24.06.2015	132,500	110,205,403	5	Cash		551,027,015
08.07.2015	214,000	110,419,403	5	Cash		552,097,015
27.07.2015	75,000	110,494,403	5	Cash		552,472,015
12.10.2015	6,000	110,500,403	5	Cash		552,502,015
16.12.2015	8,500	110,508,903	5	Cash		552,544,515
28.07.2016	39,125	110,548,028	5	Cash		552,740,140
08.06.2017	15,200	110,563,228	5	Cash		552,816,140
28.11.2017	33,600	110,596,828	5	Cash		552,984,140
16.02.2018	33,625	110,630,453	5	Cash		553,152,265
15.06.2018	8,200	110,638,653	5	Cash		553,193,265
17.07.2018	12,800	110,651,453	5	Cash		553,257,265
01.10.2018	34,750	110,686,203	5	Cash		553,431,015
04.06.2019	18,800	110,705,003	5	Cash		553,525,015
10.09.2019	30,000	110,735,003	5	Cash		553,675,015
23.09.2020	21,950	110,756,953	5	Cash		553,784,765
16.12.2020	20,000	110,776,953	5	Cash		553,884,765
09.03.2021	4,200	110,781,153	5	Cash		553,905,765

18. 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.

19. PLANT LOCATIONS

Wockhardt Limited B-15/2, MIDC Waluj Maharashtra-431136, India Tel: +91 240 6636400	Wockhardt Limited 87-A, Silver Industrial Estate Bhimpore, Nani Daman Daman-396210, India Tel: +91 260 6610300	CP Pharmaceuticals Limited Ash Road North Wrexham Industrial Estate Wrexham, LL13 9UF Wales, UK Tel: +44 1978 661261
Wockhardt Limited H-14/2, MIDC Area Waluj Maharashtra-431136, India Tel: +91 240 6664444	Wockhardt Limited 106-4/5/7, Daman Industrial Estate Kadaiya, Nani Daman Daman-396210, India Tel: + 91 260 6633200	Pinewood Healthcare Ballymacarbry, Clonmel Co. Tipperary, Ireland Tel: +353 52 6186000
Wockhardt Limited L-1, MIDC, Chikalthana Maharashtra-431210, India Tel: +91 240 6637444	Wockhardt Limited 138, GIDC Estate Ankleshwar-393002 Gujarat, India Tel: +91 2646 661400	Morton Grove Pharmaceuticals Inc 6451 Main Street, Morton Grove Illinois 60053-2633, USA Tel: +1 847 9675600
Wockhardt Limited E-1/1, MIDC, Shendra Maharashtra-431154, India Tel: +91 240 6662222	Wockhardt Limited Village Kote Baggu Ludhiana Ferozpur Road Jagraon-142026, India Distt.-Ludhiana (Punjab) Tel: +91 1624 227080	Wockhardt Bio AG Plot No.S60302 Street S1500 JAFZA South Dubai, U.A.E

20. 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 2020-21	Revisions in ratings assigned in FY 2020-21 date-wise	Current Rating
1.	Fund-based	CARE BB+; Under credit watch with Positive implications	CARE BBB-; Stable [Triple B Minus; Outlook:Stable] (27.08.2020)	CARE BBB-; Stable [Triple B Minus; Outlook:Stable]
2.	Non-fund-based	CARE A4+; (Under credit watch with positive implications)	CARE A3 [A Three] (27.08.2020)	CARE A3 [A Three]
3.	Debentures – Non-Convertible Debentures	CARE BB+; (Under credit watch with positive implications)	CARE BBB-; Stable [Triple B Minus; Outlook: Stable] (08.04.2021)	CARE BBB-; Stable [Triple B Minus; Outlook: Stable]

(b) India Ratings & Research

Sr. No.	Name of the Instrument/ Bank Facilities	Last Rating assigned before beginning of FY 2020-21	Revisions in ratings assigned in FY 2020-21 date-wise	Current Rating
1.	Fund-based / Term Loan (Long-term loan facilities)	IND BB+ / RWE	IND BBB-/Stable(30.09.20)	IND BBB-/Stable
2.	Short-term Bank facilities / Commercial Paper	IND A4+ / RWE	IND A3(30.09.20)	IND A3

RWE: (Rating watch evolving) indicates that ratings may be affirmed, downgraded or upgraded.

21. 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, 2021, no funds were raised through preferential allotment or qualified institutions placement.

However, during the year under review, the Company redeemed 160,000,000 0.01% Non-Convertible Cumulative Redeemable Preference Shares ('NCRPS Series 5') of Face value of ₹ 5 each and 500,000,000 4% Non-Convertible Non-Cumulative Redeemable Preference Shares ('NCCRPS') of Face value of ₹ 5 each along with the accumulated dividend and redemption premium, if any on 19th October, 2020

22. 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.

23. 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, 2021**
Statutory Audit Fees	1.29
Tax Audit Fees	0.21
Fees for other Services	0.24
Out-of-pocket expenses	0.06
Total Auditor's Remuneration	**1.80**

24. 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.

25. 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.

26. NON COMPLIANCE:

There is no non-compliance of any of the requirements of the Corporate Governance report as required under the SEBI listing Regulations.

27. DISCRETIONARY REQUIREMENT:

The Board:

The company has the Executive Chairman's and his Office is at Companies Premises maintained by the Company.

Shareholders Rights:

Half yearly financial results including summary of the significant events in last six months are presently, not being sent to shareholders. However, financial results contain all recent developments.

Modified opinion(s) in audit report:

There is no qualification in the Auditors report on the financial statements to the shareholders of the Company.

Reporting of Internal Auditors:

Internal auditors are invited at the meetings of the Audit Committee wherein they report directly to the Committee.

For and on behalf of Board of Directors

Dr. Habil Khorakiwala
Chairman
DIN: 00045608

Place: Mumbai
Date: 27th May, 2021

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, 2021 from all the Board Members and the Senior Management Personnel.

For **WOCKHARDT LIMITED**

Dr. Murtaza Khorakiwala
Managing Director
DIN: 00102650

Place: Mumbai
Date: 27th May, 2021

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, 2021, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') as referred to in Regulation 15(2) of the SEBI Listing Regulations for the year ended 31st March, 2021.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. My examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the Compliance with the conditions of Corporate Governance as stipulated in the said Regulations. It is neither an audit nor an expression of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations, as applicable.

In my opinion and to the best of my information and according to the explanation given to me and based on the representations made by the Management, I certify that the Company has prima facie complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations, as applicable.

I further state that such compliance is neither an assurance to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Virendra G. Bhatt
Practicing Company Secretary
ACS No.: 1157/COP No.: 124
Peer Review Cert. No.: 491/2016

Place: Mumbai
Date : 27th May, 2021

UDIN: A001157C000376598

Note:

I have conducted online verification and examination of records, as facilitated by the Company due to Covid-19 and subsequent lockdown situation for the purpose of issuing this Certificate.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of
Wockhardt Limited
Wockhardt Research Centre,
D-4, M.I.D.C. Chikalthana, Aurangabad – 431006.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of the **Wockhardt Limited** having CIN: L24230MH1999PLC120720 and having registered office at Wockhardt Research Centre, D-4, M.I.D.C. Chikalthana, Aurangabad – 431006 (hereinafter referred to as "the Company"), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its Officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March, 2021 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.	Akhilesh Krishna Gupta	00359325	29/08/2020	29/08/2020
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
Peer Review Cert. No.: 491/2016

Date : 27th May, 2021
Place: Mumbai
UDIN: A001157C000376565

Note:

I have conducted online verification and examination of records, as facilitated by the Company due to Covid-19 and subsequent lockdown situation for the purpose of issuing this Certificate.

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
- Cleary Gottlieb Steen & Hamilton LLP
- King and Spalding
- Kelley Drye & Warren LLP

Registered Office

D-4 MIDC
Chikalthana
Aurangabad-431006. India
CIN: L24230MH1999PLC120720
Phone: 91-240-6694444
Fax: 91-240-2489219
Website: www.wockhardt.com

Wockhardt Partners with the UK Government to Manufacture COVID-19 Vaccines

On 3rd August, 2020, Wockhardt entered into an agreement with the UK Government to fill-finish COVID-19 vaccines, which has been undertaken at CP Pharmaceuticals, a subsidiary of Wockhardt based in Wrexham, North Wales. As per the terms of the agreement, the Company has reserved capacity for the supply of multiple vaccines to the UK Government in its fight against COVID-19, including AZD1222, the vaccine co-invented by the University of Oxford and its spin-out company, Vaccitech, and licensed by AstraZeneca. On 10th February, 2021, the UK government announced a six-month extension of its agreement expanding the original agreement from 18 to 24 months i.e., until August 2022.

The crowning glory of this agreement and a historic moment for Wockhardt was the privilege of hosting the Honourable Prime Minister of the United Kingdom, Mr. Boris Johnson, as he visited and toured the 612,000 square feet, high-tech manufacturing facility at Wrexham on 30th November, 2020.

GLOBAL HEADQUARTERS

Wockhardt Limited
Wockhardt Towers
Bandra-Kurla Complex
Bandra (East), Mumbai-400051
Maharashtra, India
Tel: +91 22 26534444
Fax: +91 22 26523905

REGISTERED OFFICE

Wockhardt Limited
D-4, MIDC, Chikalthana
Maharashtra-431006, India
Tel: +91 240 6694444
Fax: +91 240 2489219

SUBSIDIARY LISTED OUTSIDE INDIA

Wockhardt Bio AG
Grafenauweg 6
6300 ZUG, Switzerland
Tel: +41 41 7275220
Fax: +41 41 7275221

MANUFACTURING PLANTS

Wockhardt Limited
B-15/2, MIDC Waluj
Maharashtra-431136, India
Tel: +91 240 6636400

Wockhardt Limited
H-14/2, MIDC 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
Village Kote Baggu
Ludhiana Ferozpur Road
Jagraon-142026, India
Distt.-Ludhiana (Punjab)
Tel: +91 1624 227080

CP Pharmaceuticals Limited
Ash Road North
Wrexham Industrial Estate
Wrexham, LL13 9UF Wales, UK
Tel: +44 1978 661261

Pinewood Healthcare
Ballymacarbry, Clonmel
Co. Tipperary, Ireland
Tel: +353 52 6186000

Morton Grove Pharmaceuticals Inc.
6451 Main Street, Morton Grove
Illinois 60053-2633, USA
Tel: +1 847 9675600

Wockhardt Bio AG
Plot No. S60302
Street S1500
JAFZA South
Dubai, U.A.E.
Tel: +971 4 5461825

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