17th July, 2019

BSE Limited P J Towers, Dalal Street **Mumbai - 400 001** **Scrip Code: 532300**	**National Stock Exchange of India Limited** Exchange Plaza Bandra Kurla Complex, Bandra (E), **Mumbai - 400 051** **NSE Symbol – WOCKPHARMA**

Dear Sir / Madam,

Sub: Annual Report for the Financial Year 2018-19 and Notice convening 20th Annual General Meeting

Pursuant to Regulation 30 and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith Annual Report of the Company for the Financial Year 2018-19 along with the Notice convening 20th Annual General Meeting scheduled to be held on Wednesday, 14th August, 2019 at 12.00 noon at The Benchmark, Nakshatrawadi, Paithan Road, Aurangabad – 431 005.

Kindly take the above information on record.

Thanking You,

For **Wockhardt Limited**

Narendra Singh
Company Secretary
Encl: As above

SHAPING TOMORROW.
LIFE WINS.

Golden 50 years

WOCKHARDT | LIFE WINS

ANNUAL REPORT 2018-19

Shaping Tomorrow

A lofty ideal, arguably, but nevertheless, true in some measure. Unarguably, the actions of today impact tomorrow. Like planting a sapling, or adopting a village. Like investing in research, or discovering a new drug. That's what drives every endeavour at Wockhardt. It is the desire, knowledge and hope, to make a difference, and above all, the responsibility of being capable and having the capacity to touch lives.

With Life Wins as the corporate credo, comes a greater awareness, and is all the more reason to make every effort count. Whether it is investing in R&D or expanding markets; building Intellectual Property (IP) or discovering new drugs; ensuring quality or recruiting talent; providing healthcare services or driving social initiatives; Wockhardt is 'Shaping Tomorrow' to ensure that Life Wins.

CONTENTS

FY 2018-19 PERFORMANCE HIGHLIGHTS

SALES

US$ 601 million

₹ 4,158 crore

OPERATING PROFIT (EBITDA)

US$ 19 million

₹ 135 crore

EBITDA MARGIN

3%

CHAIRMAN'S STATEMENT

My Dear Shareowners

As we continue our long and eventful journey, I look back at yesterday with some satisfaction, but look forward to tomorrow with great anticipation. Because, we charted out our course and are doing things today that we believe will shape tomorrow. It isn't just a wish or a mere hope. Instead, it is a deep conviction that we are on the right path and are doing the right things to bring about a better tomorrow.

Along the way, we expect to face challenges but plan to persevere. For, the goal is worthwhile and thus, the efforts are worth it. Hence, everything that we do today, as an individual or as an organisation, has the power to effect change and shape tomorrow.

Shaping Tomorrow through Performance

I am pleased to say that we've had a better year than last year. In FY 2018-19, we posted consolidated revenues of ₹ 4,158 crore, up by almost 6 % over FY 2017-18, and our Profit After Tax (PAT) stood at ₹ (194) crore. During the year, EBITDA increased to ₹135 crore as compared to EBITDA of ₹ (55) crore in FY 2017-18. Our Net Debt increased to ₹ 2,913 crore as compared to ₹ 2,441 crore as on 31 March, 2018. Currently, Net Debt to Equity Ratio is 0.97 as compared to 0.76 as on March 31, 2018.

As on 31 March, 2019, our international business contributed 64% of total revenues. Our US business grew by 12% in dollar terms in FY 2018-19 over the previous year, contributing to 19% of total revenues. Our UK business de-grew by 11% in GBP terms as compared to the previous year. The India business remained flat, accounting for 36% of total business. Our Emerging Markets business grew by 23% as compared to the previous year and contributed to 13% of total revenues.

But like American scholar Warren Bennis, widely regarded as a pioneer of the contemporary field of Leadership Studies, said, "Leaders keep their eyes on the horizon, not just on the bottom line.", let us too, look beyond and ahead.

Shaping Tomorrow through R&D

Research & Development is one area where we strive for positive disruption and effect a transformational change. Nothing shapes tomorrow as definitely as our endeavours in R&D today. It is a long-held belief that we have backed with substantial investments in R&D as a percentage of total sales, year after year.

I empathise with Swiss physicist Heinrich Rohrer who said, "Science means constantly walking a tightrope between expertise and creativity; between bias and openness; between experience and epiphany; between ambition and passion; and between arrogance and conviction - in short, between an old today and a new tomorrow."

At Wockhardt, we believe that we have got our balancing act right. In FY 2018-19, our R&D spend, including capital expenditure, amounted to 11% of total sales. The results speak for themselves. We continue to build our Intellectual Property (IP) Base and as on 31 March, 2019, we filed 3,132 patents cumulatively and currently hold cumulative patents numbering 694.

As you are well aware, we have several New Chemical Entities (NCEs) being developed as antibiotic drugs that are at various stages of clinical trials. I believe that the development work on these drugs today will shape the global war on Antimicrobial Resistance (AMR) tomorrow. I am happy to announce a few significant developments in respect of our new drugs under development.

Our NCE, WCK 4282, has been acknowledged by Chinese regulator NMPA that the product would address unmet needs in China. Accordingly, China would be a part of the global Phase III cUTI study. Another NCE, WCK 4873, has obtained India Phase 3 CABP study approval from DCGI, which will commence in the third quarter of 2019. Yet another NCE, WCK 771/WCK 2349, has completed India Phase 3 Acute Bacterial Skin and Skin Structure Infection (ABSSSI) study and our New Drug Application (NDA) is under review by the Investigational New Drug (IND) committee. Lastly, for NCE WCK 6777, the US FDA has accepted IND for a unique once-a-day MDR Gram-negative product, our 6th IND cleared in the very first filing. All these developments are positive factors that will impact the shape of things to come.

Shaping Tomorrow through Compliance

Meeting compliance norms today is the path to sustaining tomorrow. Wockhardt has multiple manufacturing facilities and R&D centres spread across the US, UK, Ireland and the UAE, besides those in India. With around two-thirds of total revenues coming from overseas operations, it is mission-critical to maintain stringent quality control and meet global regulatory compliance norms and standards. Towards this end, we constantly strive to measure up to our motto of 'First time right, all the time right'.

While we are still facing compliance challenges in a couple of our manufacturing facilities in India, we have invested significantly in people, processes, training and technology to address them. The commitment is absolute and the measures are ongoing. We expect to shape up and achieve full regulatory compliance at the earliest.

Shaping Tomorrow through Excellence

Wockhardt's human capital, around 7000 people across 27 nationalities worldwide, is its most valuable asset. Team Wockhardt exhibits a global work culture and mindset in complete alignment with organisational goals and strives to excel, collectively as well as individually. Whole-heartedly adopting the corporate goal of Life Wins, everyone at Wockhardt believes that surpassing themselves today will surely shape tomorrow for the better.

Every year, Wockhardt wins numerous awards for professional excellence at various fora, achievements that are acknowledged and recognised amongst its peers. In FY 2018-19, Wockhardt's journey of excellence continues to mirror its performance of preceding years, and has won over 40 awards across multiple industry platforms covering several functional roles.

Shaping Tomorrow through CSR

Wockhardt's efforts to effect social change are another demonstrable action that can be seen shaping tomorrow. Wockhardt Foundation, along with Wockhardt Hospitals and several other corporate collaborators, is constantly conceptualising and implementing various programmes to serve the underprivileged.

Going beyond providing immediate relief and succour Wockhardt Foundation implements social initiatives that aim to enable, empower, enrich and enhance life experiences for the underserved through education and vocational development.

The adoption of 21 villages near Aurangabad under the Adarsh Gram Yojana is an ideal example of laying the groundwork today to create a self-contained and self-reliant community for tomorrow. Wockhardt Foundation's other initiatives include providing mobile medical services to remote rural areas, toy libraries, e-learning, potable water, sanitation etc.

Our efforts touch around 3.5 million lives today, a number that is bound to multiply exponentially tomorrow.

In conclusion, I echo American media magnate and founder of renowned magazines like Time, Life, Fortune and Sports Illustrated, Henry R. Luce, who said, "Business, more than any other occupation, is a continual dealing with the future; it is a continual calculation, an instinctive exercise in foresight."

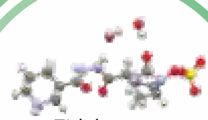
That is what we are doing today, to shape tomorrow.

Dr. Habil Khorakiwala,
Founder Chairman

SHAPING TOMORROW BY FOCUSING ON NCEs

In FY 2018-19, Wockhardt filed 95 patents and was granted 66 patents. Our vision for shaping tomorrow is clearly demonstrated by the setting up of our first manufacturing facility in the Middle East exclusively for NCEs. On approval from US FDA, the facility in Dubai will be commissioned for commercial production and cater to global markets and serve unmet medical needs across geographies.

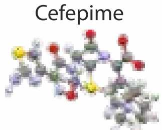
WCK 5222



Zidebactam

+

Cefepime



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*.

During the year, WCK 5222 obtained the concurrence of EMEA and the Chinese regulator, National Medical Products Administration (NMPA), for abridged Phase 3 study protocol. Also, in a first, manufacturing technology for the sterile Zidebactam and WCK 5222 clinical formulation was established at FDA-approved contract manufacturing sites in Europe.

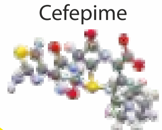
cUTI Phase 3 Study expected to begin in Q3 FY 2019-20

WCK 4282

Tazobactam

+

Cefepime

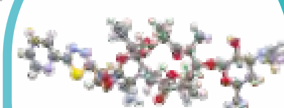


It is a combination of high dose Cefepime and Tazobactam that meets the urgent threat of certain Carbapenem-resistant Enterobacteriaceae and serious threats like Extended-spectrum β-lactamase producing Enterobacteriaceae and drug-resistant *Salmonella typhi*.

A novel manufacturing technology precisely regulating the quantity of sterile excipient in WCK 4282 was established. Based on this state-of-the-art technology, a clinical batch has been manufactured for studies.

cUTI Phase 3 Study slated to begin in Q4 FY 2019-20

WCK 4873



Nafithromycin

It is a respiratory antibiotic active against MDR pneumococci, which are categorised as a serious threat as pneumococci cause life-threatening pneumonia often requiring hospitalisation. WCK 4873 is also effective against Clindamycin-resistant streptococci, categorised as a concerning threat.

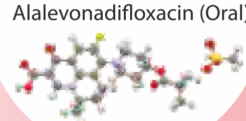
It has received approval for initiating Phase 3 study in India for the indication of community acquired pneumonia by Indian regulator, DCGI. A similar approval is being sought from LATAM region too.

Phase 3 Study scheduled to commence in Q3 FY 2019-20

WCK 771/WCK 2349

Levonadifloxacin (IV)

Alalevonadifloxacin (Oral)



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

Both NCEs have successfully completed Phase 3 study and New Drug Application (NDA) was filed for both in January 2019. At an advanced stage with IND committee of DCGI, they represent the first ever India-discovered antibiotics that have completed successful Phase 3 study.

Phase 3 Study Completed Successfully

SHAPING TOMORROW THROUGH INNOVATION

At Wockhardt, we have always believed that nothing shapes tomorrow like the efforts put in Research & Development today.

Our strategic focus on developing new antibiotics over two decades ago; notable track record of pioneering new drug applications; the achievements in developing novel drug delivery systems; the successful development of New Chemical Entities (NCEs); our steady building up of our Intellectual Property (IP) base; all bear eloquent testimony to our constant quest for innovation. Our industry-leading investments in R&D year after year, amply demonstrate our resolve to innovate.

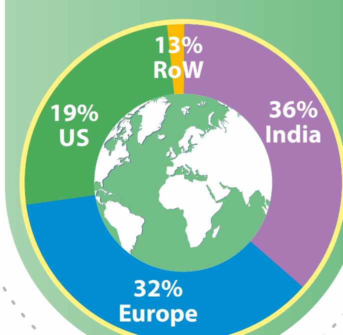
We have also taken several measures for sustainable value creation. They include cost containments; fostering a culture of efficiency and cost-consciousness; outsourcing of approved Abbreviated New Drug Applications (ANDAs) by transfer to third party approved manufacturing locations for US market; and new product launches in India, UK and Emerging Markets. And while these initiatives appear in the balance sheet as expenses and thus impact profitability today, it must be viewed as an investment for tomorrow.

In FY 2018-19, our R&D spends, including capital expenditure, accounted for 11% of total sales. As on 31 March, 2019, Wockhardt has, cumulatively, filed 3,132 patents, and has been granted 694 patents cumulatively.

Golden 50 years WOCKHARDT | LIFE WINS

Dr. Murtaza Khorakiwala
Managing Director

SALES REVENUE
64%
From
International Business



SHAPING TOMORROW THROUGH LEADERSHIP

As a research-based pharmaceutical company with a global footprint, our every endeavour in the present strives to aim for a better future. Our corporate philosophy of Life Wins aptly reflects our vision to shape tomorrow by doing the right thing in the right manner. Indeed, our leadership position in the businesses and markets we operate in, across geographies, validate our stated goals and objectives.

At Wockhardt, we take this leadership perspective seriously. Be it building a talent pool of globally-experienced leaders across functional roles; building new manufacturing facilities to match expected demand; exploring and expanding into new markets through collaborations and partnerships; or increasing our management bandwidth organically as well as inorganically; we strive to not only attain leadership but also to maintain and sustain it.

Towards this end, we believe innovation is the key to leadership. To quote the inimitable Steve Jobs, "Innovation distinguishes between a leader and a follower."

Our vision of shaping tomorrow through leadership is to focus on innovation – to discover and invent novel drugs, novel applications and novel drug delivery systems that will meet unmet medical needs and enhance the quality of life.

OUR EUROPEAN EDGE

- Amongst Top 3 Indian Generic companies in UK
- Fifth largest (by volume) Generic supplier to the hospital sector in Ireland with 11% market share
- Amongst Top 5 Generic companies in Ireland

OUR INDIA EDGE

- 6 Brands — Amongst Top 300 brands of IPM
- 3rd Position — In Cough Preparations
- 7th Position — In Vaccines

WOCKHARDT FOUNDATION | LIFE WINS

A SOCIAL INITIATIVE

OVER 121 MILLION TIMES LIVES TOUCHED IN FY 2018-19

Mobile 1000
208 Vans Till Date (33.12 Lakh Patients Checked in FY 2018-19)

Pronto Bio-Toilet
431 Pronto Bio-Toilets Till Date

E-Learning
627 Schools Till Date (3.13 Lakh Children Benefitted in FY 2018-19)

Khel Khel Mein
21 Toy Libraries Till Date (1,000 Children Benefitted in FY 2018-19)

Wockhardt + Health Centres
6,644 Patients Benefitted in FY 2018-19

Wockhardt Skills Development Institute
30 Centres in FY 2018-19 (1,295 Students Trained in FY 2018-19)

Little Hearts
178 Congenital Heart Surgeries in FY 2018-19

Shudhu Water Purification Tablets
16.36 Lakh Tablets Distributed in FY 2018-19

Pronto Toilet
4,627 Toilets Till Date

Zab
998 Desks + School Bags Distributed in FY 2018-19 (2052 Bags Till Date)

Swachh Bharat Recycle Machine
9 Machines Installed in FY 2018-19 (25 Machines Till Date)

Dr. Huzaifa Khorakiwala

Trustee & CEO, Wockhardt Foundation
Executive Director, Wockhardt Limited

SHAPING TOMORROW THROUGH EMPATHY

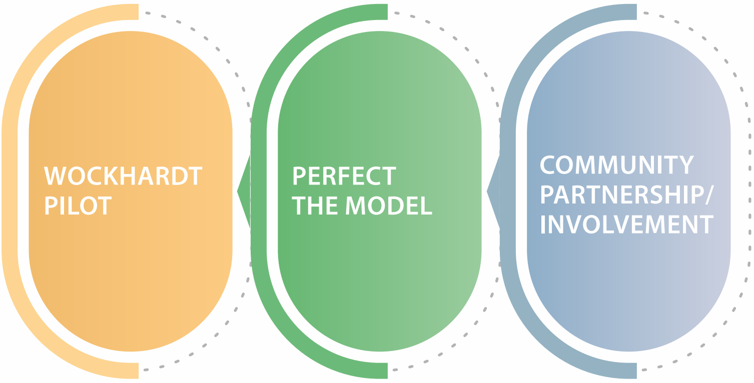
Wockhardt Foundation spearheads Wockhardt's activities as a part of fulfilling the organisation's Corporate Social Responsibility. Going beyond providing relief and comfort to the needy and underprivileged, Wockhardt Foundation focuses on developmental initiatives that are aimed at building communities and enabling them to become self-sufficient and sustainable.

Towards this end, Wockhardt Foundation, in tandem with Wockhardt Hospitals and several other corporate collaborators, initiates and implements various programmes spanning healthcare, hygiene, skills development, e-learning etc.

Year after year, we scale up our activities and reach out to touch more lives across geographies and make a difference in people's lives. In FY 2018-19, our initiatives resulted in 121 million times lives touched as compared to 74 million times people benefitted in the previous year.

We believe that by educating children; imparting vocational learning; developing skills; promoting cleanliness and hygiene; spreading awareness; enabling sanitation; empowering women and children; and by helping develop sustainable and self-reliant communities; we are shaping tomorrow.

WOCKHARDT FOUNDATION PROGRAMME EXECUTION POLICY



Ms. Zahabiya Khorakiwala

Managing Director, Wockhardt Hospitals*
Non-Executive Director, Wockhardt Limited
Director, Wockhardt Global School

SHAPING TOMORROW THROUGH NOVEL HEALTHCARE

Wockhardt Hospitals is a chain of 8 super-speciality hospitals located across Maharashtra and Gujarat with a reputation for world-class healthcare services and positive outcomes. Our international business grew by 35% this financial year, with over 800 more overseas patients as compared to the previous year.

The results of our extensive R&D efforts in the regenerative medicine space over the last eight years, focused on Stem Cells and Growth Factor Concentrate (GFC) applications, have been extremely encouraging.

Follirich, our hair regrowth and restoration therapy, has been well received in the market by patients and doctors alike. Our proprietary Growth Factor Concentrate therapy for applications in orthopaedics, wound healing and face rejuvenation has undergone robust clinical testing and is ready for introduction into the market. This breakthrough technology has been well appreciated by the Harvard Medical team at Boston, USA, and may well turn out to be a game changer. We intend to leverage our first-mover advantage and continue to research new applications for this very promising therapy.

At Wockhardt Hospitals, we believe that our focus on novel healthcare and wellness solutions, and the degree of success that it has achieved, is our own way of shaping tomorrow.

141,092
CARDIAC PROCEDURES
Angiographies, Angioplasties, Bypass, Open heart & Cardiac valve surgeries for adult & paediatric patients

24,410
ORTHOPAEDIC PROCEDURES
Knee & hip replacements, Poly-trauma surgeries, Complex fracture surgeries...

234,504
SURGICAL PROCEDURES
Organ transplants, Complex brain surgeries, Endoscopic spine surgeries...

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

BOARD OF DIRECTORS

Dr. HABIL KHORAKIWALA
Founder Chairman

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

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

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

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

Mr. AMAN MEHTA
Independent Director

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

Mr. D S BRAR
Independent Director

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

Mr. Brar has been associated with the Pharmaceutical Industry for over three decades and his major stint was at Ranbaxy Laboratories, where he rose to become the CEO & Managing Director in the year 1999. Mr. Brar stepped down from this position in 2004 to start his entrepreneurial journey and founded GVK Biosciences Pvt. Ltd., a leading Contract Research & Development Organisation, and later, Excelra Knowledge Solutions Pvt. Ltd., an Informatics/Analytics Company. He is currently the Chairman of both of these Companies. Mr. Brar has also served as a Director of RBI, member on the Board of National Institute of Pharmaceutical Education & Research, member of the Board of Governors of IIM, Lucknow, Chairman of Indian MNC Council of CII, and member of FICCI. Mr. Brar serves on the Boards and acts as an Advisor to companies like Maruti Suzuki, Mphasis and 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 on Mr. Brar the 'FABA Special Award 2011' for his contribution to the BioPharma sector.

Dr. SANJAYA BARU
Independent Director

Dr. Sanjaya Baru has been a Director on the Board of Wockhardt since April 2012. With a Ph.D and a Master's degree in Economics from Jawaharlal Nehru University, New Delhi, Dr. Baru is Distinguished Fellow, United Service Institution of India and recently named as Distinguished Fellow of the Institute for Defence Studies and Analysis, New Delhi.

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

Mrs. TASNEEM MEHTA
Independent Director

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

Mrs. Mehta is an art historian, conservationist, writer, curator and designer, who has successfully pioneered the revival and restoration of several cultural sites in Mumbai. She has conceptualised, curated, designed and implemented the restoration and revitalisation of the Museum and the ongoing exhibitions and outreach programmes. The Museum won UNESCO's 2005 Asia Pacific 'Award of Excellence'. The Museum has been nominated for several awards for its outstanding work. Mrs. Mehta is the Academic Chair of the Museum's Diploma on Modern and Contemporary Art History and Curatorial Studies, which is in its 8th year. She has also written and edited several books.

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

Mr. BALDEV RAJ ARORA
Independent Director

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

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

Mr. VINESH KUMAR JAIRATH
Independent Director

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

Mrs. RIMA MARPHATIA
Nominee Director

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

Dr. HUZAIFA KHORAKIWALA
Executive Director

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

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

Dr. MURTAZA KHORAKIWALA
Managing Director

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

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

Ms. ZAHABIYA KHORAKIWALA
Non-Executive Director

Ms. Zahabiya Khorakiwala has earned a Master's Degree in Business Administration from the Indian School of Business, Hyderabad, and has an experience of more than a decade in the area of strategy and leadership. Presently, Ms. Zahabiya is heading Wockhardt Hospitals as the Managing Director 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. Ms. Zahabiya is also a Director on the Board of RPG Life Sciences Limited and other corporate entities.

BOARD'S REPORT

Dear Members,

The Board of Directors are pleased to present the Twentieth Annual Report of the Company along with the Audited Financial Statements for the year ended 31st March, 2019.

FINANCIAL RESULTS AND HIGHLIGHTS

(₹ in Crore)

Particulars	**Year ended March 31, 2019**	Year ended March 31, 2018
Consolidated		
Total Revenue	**4,179**	4,057
Profit Before Depreciation, Finance Cost & Tax	**131**	122
Profit / (Loss) Before Exceptional Items & Tax	**(300)**	(283)
Profit / (Loss) Before Tax	**(300)**	(641)
Tax expense – Credit/(charge)	**83**	(26)
Profit / (Loss) After Tax	**(217)**	(667)
Other Comprehensive Income / (Loss)	**9**	139
Total Comprehensive Income / (Loss)	**(208)**	(528)
Standalone		
Total Revenue	**2,181**	2,534
Profit Before Depreciation, Finance Cost & Tax	**117**	380
Profit Before Tax	**(175)**	104
Tax expense – Credit/(charge)	**93**	(35)
Profit After Tax before other Comprehensive Income	**(82)**	69
Total Comprehensive Income	**(83)**	69

The consolidated total revenue of the Company for the financial year ended 31st March, 2019 stood at ₹ 4,179 crore as compared to ₹ 4,057 crore of previous year. Earnings before interest, tax, depreciation and amortization (EBITDA) during the year showed marked improvement from earlier ₹ (55) crore in FY 2017-18 to ₹135 crore in FY 2018-19. The total Comprehensive loss for the year stood at ₹ 208 crore vis-à-vis total Comprehensive loss of ₹ 528 crore of previous year.

On Standalone basis, the Company registered total revenue of ₹ 2,181 crore as compared to ₹ 2,534 crore during previous year. Total Comprehensive Income for the year stood at ₹ (83) crore vis-à-vis ₹ 69 crore of previous year.

Performance of the Company has also been discussed in detail in the 'Management Discussion and Analysis Report' forming part of this Annual Report.

STATE OF COMPANY'S AFFAIRS

Your Company's strategic focus on Research & Development continued during the year and R&D expenses stood at ₹ 291 crore (7% of consolidated revenue) vis-à-vis. ₹ 287 crore of previous year. During the year, the Company has filed 95 patents out of which 66 patents were granted during the year. Accordingly, the Company as on 31st March, 2019, cumulatively filed 3,132 patents and holds 694 patents worldwide.

During the year under review:

- Health Products Regulatory Authority, Ireland ('HPRA') and UK MHRA have carried out joint Inspection of Shendra, Aurangabad facility of the Company. HPRA has granted GMP Certificate to Shendra, Aurangabad facility of the Company which is valid for a period of three years i.e. upto 31st January, 2022;

- US Food and Drugs Administrator ('US FDA') carried out inspection of Bioequivalence Centre located at R&D Centre, Aurangabad during which Bioequivalence studies of Tamsulosin 0.4mg capsules and Metoprolol Tartrate 200mg ER tablets were audited. At the end of inspection, there was Nil observation (i.e. zero 483 observation), signifying that best practices were followed, in compliance to applicable regulations;
- US FDA accorded approvals for two ANDAs and approval of one ANDA received during April 2019 from third party approved manufacturing facility; and
- Sets up its first facility in Middle East for manufacturing of NCEs (New Chemical Entities) catering to the global markets through its Dubai arm of its subsidiary Wockhardt Bio AG. On approval of the new drug by US FDA, this manufacturing facility will be commissioned for commercial production. With the new facility in Middle East, your Company aim to focus on our commitment in developing NCEs to fight the health issues faced.

Further, as a part of long-term strategic initiatives, your Company's focus remained centred on various measures for sustainable value creation through cost containments, fostering culture of efficiency and cost-consciousness, outsourcing of approved ANDAs by transfer to third party approved manufacturing locations for US market, working capital optimization and Budgetary controls to improve efficiencies etc. Continued focus on new Product launches in India, UK and Emerging Markets during the year is also expected to yield positive results in forthcoming periods. Whereas, rationalization and cost containment initiatives gave positive impact, the ongoing expenditures on remedial measures (for US FDA related matter) continued to impact the profitability of the Company. Your Company also took cognizance of subdued growth and profitability in the businesses due to various factors beyond the control of the organization, continued its prudent action for optimization of R&D expenses. The strategic focus of your Company in R&D initiatives though impacted the profitability; it is worth mentioning that such expenditures are for the future even if they are expensed off.

STATUS OF NCEs (Breakthrough Antibiotics effective against Super Bugs)

- **WCK 5222** (Combination of Zidebactam and Cefepime that meets the urgent threat of Carbapenem-resistant Enterobacteriaceae and serious threats like Multidrug resistant Acinetobacter, Extended spectrum β-lactamase producing Enterobacteriaceae (ESBLs), Drug-resistant Salmonella typhi and Multidrug-resistant Pseudomonas aeruginosa) - During the year, your Company obtained concurrence of EMEA and the Chinese Regulator NMPA (National Medical Products Administration, which is a new name of the erstwhile CFDA i.e. China FDA) for WCK 5222 abridged Phase 3 study protocol. NMPA also concurred that WCK 5222 addresses unmet need for China. Moreover, for the first time, a basic manufacturing technology for the sterile Zidebactam and WCK 5222 clinical formulation was established at FDA approved contract manufacturing sites in Europe. Phase 3 cUTI study is expected to begin in Q3 of 2019-20.
- **WCK 4282** (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 (ESBLs), Drug-resistant Salmonella typhi) – During the year, a novel manufacturing technology precisely regulating the quantity of sterile excipient in WCK 4282 was established. Based on this state-of-the-art technology, clinical batch has been manufactured for cUTI Phase 3 study which is slated to begin in Q4 2019-20.
- **WCK 4873** (Respiratory antibiotic active against MDR Pneumococci which are regarded as serious threat as Pneumococci cause life threatening pneumonia often requiring hospitalization. WCK 4873 is also effective against clindamycin resistant streptococci which are regarded as concerning threat) – During the year, your Company obtained Indian regulator DCGI's approval for initiating Phase 3 study in India for the indication of community acquired pneumonia. Similar approval is being sought from LATAM region. Phase 3 study is schedule to commence in Q3 2019-20.
- **WCK 771 & WCK 2349** (These are broad spectrum anti - MRSA drugs. MRSA are regarded as serious threat as they could cause life threatening infections such as pneumonia and blood stream infection. WCK 771 is also active against MDR pneumococci, a serious threat category pathogen as well as Vancomycin resistant Staphylococcus aureus (VRSA) which is regarded as concerning threat category pathogen).

  Phase 3 study was completed for both WCK 771 (IV) and WCK 2349 (Oral). The study demonstrated that both the NCEs are comparable to standard of care MRSA drug Linezolid. A New Drug Application (NDA) was filed in January 2019 for both the products which represents the first ever India discovered antibiotics undergoing successful Phase 3 study. NDA review is at advanced stage with IND committee of DCGI.

  All the above NCEs, have distinction of QIDP[1] status by US FDA.

[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.

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

- INVIMA, Columbia and State FDA & WHO (GMP) approvals for Shendra facility.
- ANVISA, Brazil and INVIMA, Columbia Audit approvals for Biotech API & Formulation.
- Tanzania Food and drug administration (TFDA) approval for Baddi facility.

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

CREDIT RATING

During the year 2018-19, CARE Ratings Limited ('CARE Ratings') has revised the Company's Rating for Long-Term Bank Facilities (Fund Based) as "CARE BBB-; Negative [Triple B Minus; Outlook: Negative]" from "CARE A; Negative [Single A; Outlook: Negative]"; and for Short Term Bank Facilities (Non Fund Based) as "CARE A3 [A Three]" from "CARE A1 [A One]".

CARE Ratings has also revised rating for the proposed issue of NCDs for an amount of ₹ 500 crore of the Company as "CARE BBB-; Negative [Triple B Minus; Outlook: Negative]" from "CARE A; Negative [Single A; Outlook: Negative]".

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

DIVIDEND AND RESERVES

During the year 2018-19, the Board recommend dividend @ 0.01% (₹ 0.0005 per Preference Share of ₹ 5 each) on 16,00,00,000 Non-Convertible Cumulative Redeemable Preference Shares of ₹ 5 each; and 4% (₹ 0.2 per Preference Share of ₹ 5 each) on 50,00,00,000 Non-Convertible Non-Cumulative Redeemable Preference Shares of ₹ 5/- each to be paid since allotment i.e. from 22nd December, 2018 to 31st March, 2019.

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

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 55,750 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 ₹ 55,31,52,265 to ₹ 55,34,31,015 during the year under review.

During the year 2018-19, the Company has:

(i) allotted on 22nd December, 2018, 50,00,00,000 Nos. of 4% Non-Convertible Non-Cumulative Redeemable Preference Shares ('NCCRPS') of Face Value of ₹ 5/- each, at par, on preferential basis, for an aggregate amount of ₹ 250 Crore to Khorakiwala Holdings and Investments Pvt. Ltd. and Humuza Consultants, promoter group entities. Proceeds of the said issue were utilised for redemption of Preference Shares due on 31st December, 2018 (detailed below).

(ii) redeemed:

   (a) 12,14,54,927 Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS Series 2) of Face value of ₹ 5 each; and

   (b) 31,56,59,941 Non-Convertible Cumulative Redeemable Preference Shares (NCRPS Series 2 and Series 3) of Face value of ₹ 5 each;

   on predetermined terms and conditions (including accumulated dividend till 31st December, 2018) as decided at the time of issuance of said Preference Shares in the years 2010/ 2011, on due date of redemption i.e. 31st December, 2018.

(iii) extended the date of redemption of 16,00,00,000 Nos. of 0.01% Non-Convertible Cumulative Redeemable Preference Shares ('NCRPS Series 5') for a period of 1 year i.e. from 31st March, 2019 to 31st March, 2020. During this period of 1 year, both the Company and NCRPS Series 5 holder shall have the right of early redemption by giving one month notice. However, such right shall be exercisable only after 30th June, 2019. Further on the redemption value of the said NCRPS Series 5

(Face Value plus Redemption Premium), as on 31st March, 2019 (i.e. ₹ 96 crore), the Company would pay redemption premium @ 4% p.a. on the said ₹ 96 crore for the period commencing from 1st April, 2019 till the actual date of redemption of the said NCRPS Series 5.

There were no issue of equity shares with differential voting rights and sweat equity shares during the year 2018-19. The Company does not have any scheme to fund its employees to purchase the shares of the Company. Further, no shares have been issued to employees of the Company except under the Scheme mentioned above.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

In terms of the provision of:

- Section 196 and other applicable provisions of the Act, Dr. H. F. Khorakiwala, Executive Chairman (DIN: 00045608), holds office upto 29th February, 2020 and being eligible, offers himself for re-appointment. Approval of the Shareholders for payment of remuneration to him is also upto 29th February, 2020. The Board recommends the resolution for his re-appointment for a further period of 5 (five) years from the expiry of his present term of office, that is, with effect from 1st March, 2020; and for fixation of his remuneration.
- Section 149 and other applicable provisions of the Act and SEBI Listing Regulations, Ms. Tasneem Mehta (DIN: 05009064), Independent Director of the Company, holds office upto 29th September, 2019 and being eligible, offers herself for re-appointment. Considering the performance evaluation, the resolution for her re-appointment as recommended by the Nomination & Remuneration Committee and the Board for second term of five years i.e. upto 29th September, 2024, as an Independent Director, is placed for the approval of Members of the Company at the ensuing AGM.
- Section 161 and other applicable provisions of the Act, Ms. Rima Marphatia (DIN: 00444343), Chief General Manager of Export-Import Bank of India ('EXIM'), has been appointed as a Nominee Director on the Board of the Company effective 6th May, 2019.

In accordance with the provision of Section 178 and other applicable provisions of the Act and SEBI Listing Regulations, if any, the Nomination and Remuneration Committee has considered and recommended the above appointments/re-appointments to the Board of Directors of the Company. A brief resume and other details of all the Directors seeking appointment/ re-appointment are provided in the Notice of AGM.

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

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

The term of Mr. Shekhar Datta (DIN: 00045591) as an Independent Director was upto 31st March, 2019. Considering his age, Mr. Datta decided not to seek re-appointment for 2nd term as an Independent Director of the Company. Mr. Datta has made a remarkable contribution for the sustainable growth and success of the Company. Strategic direction and support extended by him in all the phases the Company went through, would always be reminisced at all times.

MEETINGS

During the financial year 2018-19, the meetings of the Board of Directors and Audit Committee were held 4 (four) times each. Details of these meetings and other Committees of the Board/ General Meeting/ Postal Ballot are given in the Report on Corporate Governance forming part of this Annual Report.

AUDIT COMMITTEE

As on 31st March, 2019, the Audit Committee comprises of Mr. Shekhar Datta, Chairman, Mr. Aman Mehta, Mr. Davinder Singh Brar, Dr. Sanjaya Baru, Ms. Tasneem Mehta, Mr. Baldev Raj Arora and Mr. Vinesh Kumar Jairath as its Members.

All the Members of the Committee are Independent Directors and recommendations made by the Audit Committee were accepted by the Board of Directors of the Company. Further, the Committee has carried out the role assigned to it. Other details about the Audit Committee and other Committees of the Board are provided in the Report on Corporate Governance forming part of this Annual Report. As Mr. Shekhar Datta's term as an Independent Director was upto 31st March, 2019 and he did not seek re-appointment for second term, Mr. Aman Mehta is inducted as the Chairman of the Audit Committee effective 1st April, 2019.

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, 2019, 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, 2019 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, 2019;

(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, 2019 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

Haribhakti & Co. LLP, Chartered Accountants, were appointed as the Statutory Auditors of the Company at the AGM of the Company held on 15th September, 2014, for a term of five years i.e. till the conclusion of ensuing 20th AGM (to be held in calendar year 2019). As M/s. Haribhakti & Co., LLP has already served as Statutory Auditors of the Company for two terms of five consecutive years, hence pursuant to section 139 of the Companies Act, 2013, your Company is required to appoint new Statutory Auditor.

Pursuant to Section 139 and other applicable provision of the Act, the resolution for appointment of M/s. B S R & Co. LLP, Chartered Accountants as recommended by the Audit Committee and the Board, as Statutory Auditor of the Company to hold office for a term of 5 years i.e. from the conclusion of 20th AGM till the conclusion of 25th AGM (to be held during calendar year 2024), is placed for the approval of Members of the Company at the ensuing AGM. M/s. B S R & Co. LLP has provided a written consent and confirmed that they are eligible to act as Statutory Auditor of the Company.

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 2019-20. 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, 2020 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, 2018 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, 2019. The Secretarial Audit Report issued by Mr. Virendra Bhatt does not contain any qualification, reservation and adverse remark. The Secretarial Audit Report is annexed as Annexure I to this Report.

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

ANNUAL RETURN

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

EMPLOYEE STOCK OPTIONS

Pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014 and other applicable laws, if any, the required disclosures as on 31st March, 2019 are annexed as Annexure III to this Report.

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

Pursuant to the provisions of Section 135 of the Companies Act, 2013, your Company was required to spend ₹ 0.62 crore on CSR activities during the year 2018-19. However, as a continuing corporate governance practice, the Company contributed ₹ 4.21 crore to Wockhardt Foundation, CSR arm of the Company, for spending on CSR activities which has undertaken CSR projects in the areas of healthcare, education etc.

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

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS

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

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

The remuneration of Non-Executive Directors comprises of sitting fees & commission, if any, in accordance with the provisions of Companies Act, 2013; and reimbursement of expenses incurred in connection with attending the Board meetings, Committee meetings, General meetings and in relation to the business of the Company. During the year under review, the Company has not paid any commission to the Non-Executive Directors.

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

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

PERFORMANCE EVALUATION OF DIRECTORS

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

INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

The Company has adequate internal financial control procedures commensurate with its size and nature of business. These controls include well defined policies, guidelines, Standard Operating Procedures ('SOPs'), authorization and approval procedures and technology intensive processes. The internal financial controls of the Company are adequate to ensure the accuracy and completeness of the accounting records, timely preparation of reliable financial information, prevention and detection of frauds and errors, safeguarding of the assets and that the business is conducted in an orderly and efficient manner.

M/s. Ernst and Young, during the year, assisted in implementation of 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 has earlier adopted 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

During the year under review, your Company has constituted Risk Management Committee comprising of Dr. H. F. Khorakiwala, Chairman, Mr. Davinder Singh Brar, Independent Director, Dr. Murtaza Khorakiwala, Managing Director and Mr. Manas Datta, Chief Financial Officer as its members. Other details about the Risk Management Committee are provided 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 mitigates risk 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 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 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

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

POLICIES

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-materiality-of-and-dealing-with-related-party-transactions.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.pdf
Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information	The Code determines principles for fair disclosure of Unpublished Price Sensitive Information.	http://www.wockhardt.com/files/code-of-fair-disclosur-of-upsi-2-4-19.pdf
Corporate Social Responsibility Policy	The policy outlines the Company's strategy to bring about a positive impact on society through programs relating to education, healthcare, environment etc.	http://www.wockhardt.com/pdfs/csr-policy.pdf
Remuneration Policy	This policy formulates the criteria for determining qualification, competencies, positive attributes and independence for the appointment of directors and also the criteria for determining the remuneration of the directors, key managerial personnel and other employees.	http://www.wockhardt.com/pdfs/wl-remuneration-policy.pdf
Dividend Distribution Policy	The policy determines the parameters/ basis for declaration of dividend.	http://www.wockhardt.com/files/dividend-distribution-policy.pdf
Policy on Preservation of Records	The policy deals with periodicity of retention of the Company records and documents.	Available on internal portal
Risk Management Policy	The Policy is intended to institutionalize the risk management framework of the Company which includes identification, review and reporting of material risks.	
Forex Risk Management Policy	The policy defines, identify, measure, manage, mitigate and review potential risks pertaining to fluctuations in Foreign Exchange.	
Code of Conduct for Regulating, Monitoring and Reporting Trading by Designated Persons	The policy provides the framework in dealing with securities of the Company by designated persons.	
Policy for Inquiry in case of Leak/ Suspected Leak of Unpublished Price Sensitive Information ('UPSI')	The Policy is intended to set procedure to conduct inquiry in case of leak or suspected leak of UPSI in violation of SEBI (Prohibition of Insider Trading) Regulations, 2015, and Code of Conduct for Regulating, Monitoring and Reporting Trading by Designated Persons.	
Anti-bribery and Anti-corruption Policy	The policy provides for prevention, deterrence and detection of fraud, bribery and other corrupt business practices in order to conduct the business activities with honesty, integrity with highest possible ethical standards.	
Human Right Policy	Policy aims at social & economic dignity and freedom, regardless of nationality, ethnicity, gender, race, economic status or religion. Also focusses 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 outline 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 providing security(ies) and/or make investments upto ₹ 6,000 crore. The particulars of loans, investments and guarantees are provided under Note 35 and Note 7 in the Notes to the Financial Statements.

PARTICULARS OF CONTRACTS/ ARRANGEMENTS WITH RELATED PARTIES

During the financial year 2018-19, 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. However, vide postal ballot notice dated 10th November, 2018, the Company sought approval of the Shareholders of the Company for issue and allotment of upto 100 Crore Nos. of 4% Non-Convertible Non-Cumulative Redeemable Preference Shares of the face value of ₹ 5/- each on a preferential basis to certain Promoter Group entities. All the entities covered under the definition of "Related Party" including the Managing Director and whole-time Director have not voted to approve the said matter.

The details of related party transaction are provided under Note 42 in the Notes to the Financial Statements.

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

VIGIL MECHANISM

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANY

As on 31st March, 2019, the Company has total 32 Subsidiaries. However, during the year under review, the Company does not have any joint venture or associate company.

During the year, the Company has incorporated 'Wockhardt Medicines Limited' as a Wholly Owned Subsidiary of the Company. There were no companies who ceased to be Subsidiaries of the Company during the financial year under review.

In accordance with Section 129(3) of the Companies Act, 2013, a statement containing salient features of the Subsidiaries of the Company is provided in Form AOC–1 annexed as Annexure VIII to this Report.

CONSOLIDATED FINANCIAL STATEMENT

The Consolidated Financial Statement of your Company for the financial year 2018-19 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, 2019.

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

The Company strongly believes in providing a safe and harassment free workplace for each and every individual working for the Company through various interventions and practices. It is the continuous endeavour of the Management of the Company to create and provide an environment to all its Associates that is free from sexual harassment. Pursuant to the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013 ("Act"), the Company has constituted Internal Committees (IC) across all the locations which are responsible for redressal of complaints related to sexual harassment at respective locations. The Company arranged various interactive awareness workshops in this regard for the Associates at all the manufacturing sites & Corporate Office during the year under review. During the year 2018-19, the company has not received any Complaints in the matter.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURT

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

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

  The Company has filed the caveat before Hon'ble Supreme Court, and as on date no Appeal is filed against the matter.
- Wockhardt Limited was granted import license no. SVH-9-131 dated 09th October, 2017 having its validity upto 27th July, 2020 for the drug Varicella vaccine (Live) I.P. Freeze dried along with sterile water for injection manufactured by M/s. Changchun Changsheng Life Sciences. China's state drugs Administrative ordered to stop the production of the vaccine due to violation of good manufacturing activities. Consequently, Wockhardt's Import License Certificate also stands cancelled. Hence Recalled Biovac product.
- Wockhardt Europe Limited, wholly owned subsidiary of the Company filed an anti-competitive lawsuit against MN Egypt to restrain them using word "Wockhardt" from MN Egypt's company name as well as to refrain MN Egypt using the trademarks owned by Wockhardt Group in any capacity whatsoever. The local Egyptian Court granted the judgement in favour of Wockhardt Europe Limited's and directed MN Egypt to refrain using any Wockhardt marks in any capacity in Egypt.

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 acknowledge the dedication and appreciate the significant contribution made by the employees of the Company at all levels. Your Directors wish to place on record their appreciation to all the Stakeholders of the Company viz. customers, members of medical profession, investors, banks, regulators for their persistent 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 : 6th May, 2019

MANAGEMENT DISCUSSION & ANALYSIS

In India, growth has been moderate during the year owing to slower growth in consumptions and investment. Rising interest rates and currency volatility are weighing on activity. By contrast, central banks in China and India maintained policy rates on hold and acted to ease domestic funding conditions. With investors generally lowering exposure to riskier assets, emerging market economies experienced net capital outflows in the third quarter of 2018.

The Company's US business continues to be impacted because of market/channel consolidation which has put pricing pressure on one hand while more and more generic players continue to be contributor to the competition. However, some of the strategic initiatives of the company undertaken well in advance contributed positively in US & UK market off-setting some of the adversities of the market.

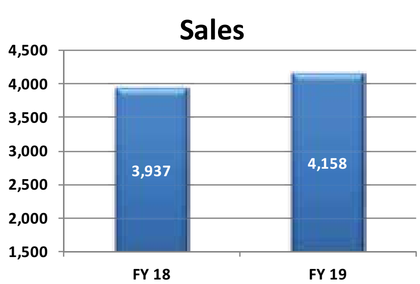
FY 2018-19 witnessed certain key events globally, which are the future growth triggers for your company. With an aim to grow and further establish their international presence in pharmaceutical manufacturing, Wockhardt inaugurated a 'state-of-the-art' manufacturing facility for the production and packaging of sterile dry powder injection in Dubai. On approval of the new drug by US FDA, this manufacturing facility will be commissioned for commercial production. This facility reinforces the company's focus on commitment in developing (New Chemical Entities) NCEs.

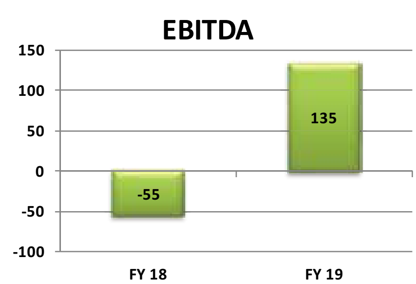
Your Company has been building as a priority area for the US business, portfolio of oncology products in the US and has several pending ANDA's for oncology products. The direct outcome of these efforts translated into approval of Imatinib Mesylate tablets which are a generic version of Gleevec by Novartis. Adding to this list during the year, your Company also received approval for Decitabine which is generic version of Dacogen by Otsuka and Abiraterone acetate tablet i.e generic version of Zytiga by J&J.

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

During the year, the Company's research & development expenses continued to grow keeping in view its strategic focus in Pharma, Biotechnology & NCE segment and was about 7% of consolidated revenue.

₹ in Crore





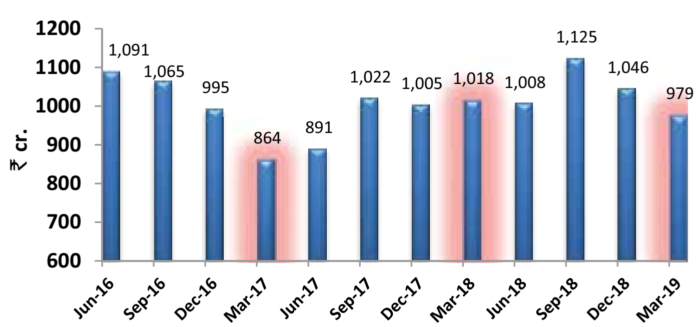
REVENUES

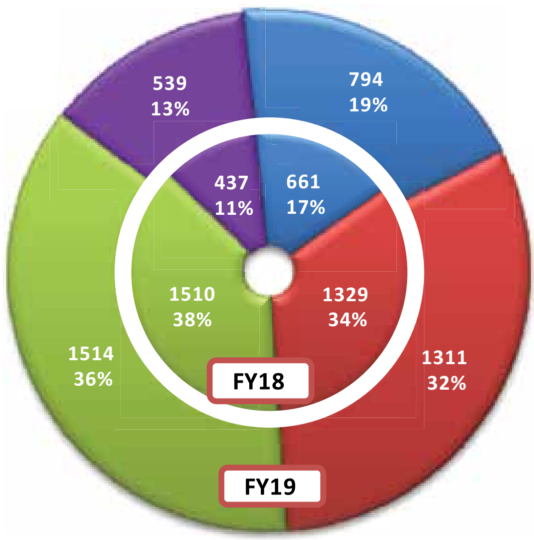
Revenue from Operations during the year was ₹ 4,158 crore compared to ₹ 3,937 crore in the previous year.

₹ in Crore

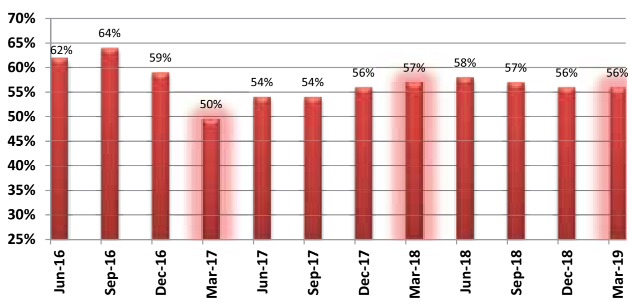
	FY 19	FY 18	Change	% Change
Revenue from operations	**4,158**	3,937	221	5.6%

On a quarterly basis, revenues in the first three quarters gained momentum and were on the higher side. However Q4 was slightly on lower side as compared to PY.





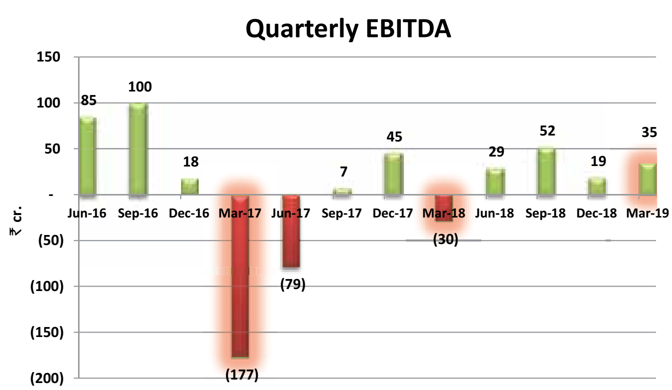
The revenue split of US operations stood at 19% (compared to 17% as in FY 2018) while European Business contributed 32% (compared to 34% in FY 2018). India and Rest of the World continue to grow and contributed a robust 49% (in line with FY 2018).



PROFITABILITY

The Gross Margins have consistently stayed around 56% in all the quarters which is in line with previous year quarters.

On Y-o-Y basis EBITDA has improved mainly on account of improved top-line across businesses. Remedial costs towards ongoing US FDA issues continue to be in place, offset partially by cost containments & rationalisation measures. However, Company's strategic focus on R&D initiatives that are futuristic in nature, continue to impact the EBITDA as they are being expensed



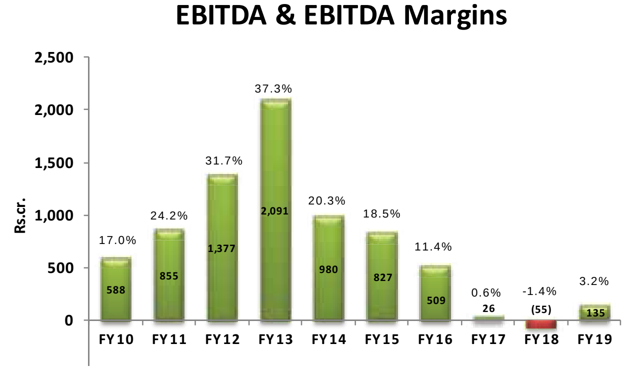
Material Consumption for FY 2019 stood at 43% of sales compared to 45% in FY 2018.

The Company's emphasis on R&D continued during the year while adopting selective strategy for rationalizing R&D spends which is reflected in spends for FY 2019 at 7%. Personnel costs were lower than PY at 20%.

Other expenses for FY 2019 were at 26% of sales compared to 28% in the previous year which is direct outcome of aggressive cost containment measures adopted by the Company. Interest cost was higher compared to previous year.

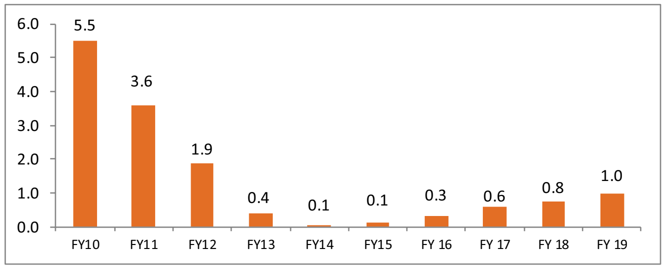
Other Income was lower than the previous year at ₹ 21 Crore. PY had significant Interest income on surplus funds. Exceptional items in PY includes one time expense of ₹ 358 Crore on account of Teva litigation.

The Company's EBITDA margins are better as compared to previous 2 years which is outcome of better gross margins and aggressive cost containment measures.



DEBT AND LEVERAGE

The Net Debt to Equity ratio stood at 0.97 as on 31st March, 2019.



DEBT POSITION

₹ in Crore

	FY 19	FY 18	Change	% Change
Secured	3,027	3,391	-364	-11%
Unsecured	5	6	-1	-17%
Preference Capital	330	340	-10	-3%
Total	**3,362**	**3,737**	**-375**	**-10%**

Industry R&D Pipeline :

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

Worldwide Total Pharmaceutical R&D Spend in 2010-2024

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

RESEARCH & DEVELOPMENT : COMPANY'S STRATEGIC CORE

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

GLOBAL ANTIBIOTIC MARKETS & ANTIMICROBIAL RESISTANCE LEVEL CRISIS

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

Antimicrobial resistance (AMR) is increasingly recognised as a growing global health problem. Without effective antibiotics, infections become more difficult to treat, and medical and surgical procedures can become high-risk interventions. Antimicrobials are losing their effectiveness at an increasing rate, accelerated by their misuse in humans and in the agricultural sector. To slow the rise of resistance, antimicrobials must be used only when needed. Global stewardship strategies are being developed that address how antimicrobials are used in humans and animals, as well as the antimicrobial load in the environment. AMR strategies also focus on developing new antimicrobial medicines to replace those that are becoming less effective.

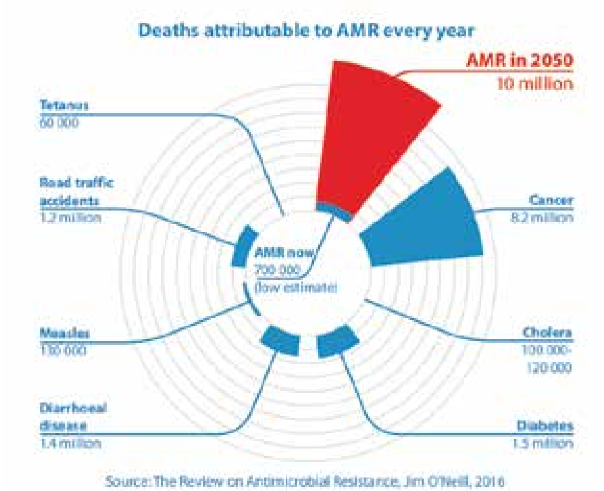
Burden of resistance to antibacterial drugs

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

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[2] 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[3]. The nature of this global problem emphasises the challenge that the UK faces when tackling AMR in the food supply chain.

Antimicrobial resistance (AMR) is a widely recognised and growing global public health problem. Though there are no exact figures that capture the true global burden of AMR, let alone in low- and middle-income countries (LMICs), latest estimates from the *Antimicrobial – Resistance – Benchmark 2018*, show that AMR causes over 700,000 deaths annually worldwide[4]. At the same time, millions of people lack access to much needed antimicrobial medicines for curable infections, which is evident by the 445,000 community-acquired pneumonia deaths that occur in children under five[4]. 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

Growing Demand

The global market for Antibiotics, Vaccines & Diagnostics reached USD 108.4 billion in 2015, and is forecast to reach USD 183.2 billion in 2021[4]. The antibiotic market is expected to grow from USD 27.1 billion in 2015 to USD 35.6 billion in 2022, in step with growing demand for generic antibiotics from emerging markets[4]. Between 2002 and 2010, global consumption of antibiotics increased by 36%, and three quarters of this increase was accounted for by Brazil, Russia, India, China and South Africa (BRICS)[4]. Growing demand coupled with poor surveillance and stewardship is likely to further drive the emergence of resistant strains, particularly in high-burden areas.

Significant Decline in Antibacterial Drug Approvals[4]

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

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

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

Facts about Antibiotic Resistance[5] *(Antibiotic Resistance Threats in the United States, 2013- by Centers for Disease Control and Prevention -USA)*

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

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

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

Reference:

1 Antimicrobial resistance: global report on surveillance 2014

2 The Antibiotic Resistance Crisis PMCID: PMC4378521; PMID: 25859123

3 The Review on Antimicrobial Resistance, Chaired by Jim O'Neill

4 Anti microbial – Resistance – Benchmark 2018

5 Antibiotic Resistance Threats in the United States, 2013- by Centers for Disease Control and Prevention (USA)

OPPORTUNITIES

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

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

With the rise in number of new organisms and new strains of old organisms with significant resistance to existing medicines, the Company with its array of under-development drugs in this space aims to counter these unmet needs in both gram positive and gram negative bacterial infections in both regulated and unregulated markets. During the past years (2014) and (2015) approvals were received for 5 novel antibiotics making it the only Company globally to receive QIDP status for 5 drugs from US FDA. Qualified Infectious Disease Product (QIDP) is granted to drugs, identified by Center for Disease Control (CDC), USA that act against Pathogens which have a high degree of unmet needs in their treatment. Over last 10 years global patents filed for antibacterial have declined by 60%, whereas patents filed by Wockhardt in these 10 years have increased by 315%.

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

Technology trends are driving a shift towards patient-centric healthcare, as evidenced by wearable biometric devices and telemedicine. This trend is resulting in more informed patients who are likely to take a more active role in any treatment plan their doctor may prescribe. Patient-centric care can provide challenges and rewards for the pharmaceutical industry. In 2019 and beyond, the direct consumer may become the pharmaceutical company's most strategic partner. The rise of consumerism provides an interesting dynamic for competition in this industry.

RISK

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

Pricing pressures in India continue to impact several organizations with latest NPPA circulars to include many critical drugs under the scope of price fixation / reduction. This has impacted the earnings of many Indian companies including yours.

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

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

In 2019, World leaders will face a tough time keeping the global recovery on track, even while wars, terrorism and other threats add to the challenges. Your company is a global player and is not insulated against such external risks despite the best financial practices and wide range of measures being taken. This has also to some extent impacted the earnings w.r.t. to countries where your Company operates in the home currency of these nations. This inherent risk will continue to pose challenges to a Company like yours that has a significant share of revenues from cross border operations.

RESEARCH

Research Efforts in Novel Drug Delivery Systems and ANDAs Pipeline

During the financial year ended March 31, 2019 the Company has filed 3 new products in UK and has received an approval for 2 new products (ANDAs) in US. Currently for the US business, Company's pipeline includes 58 products pending to be approved by US FDA. The Company has always been a trendsetter in Indian generic pharma industry with its niche NDDS products like Metoprolol ER, Divalproex ER, Tamsulosin ER which were among the first few generics in US market. Pending ANDAs include complex generics and modified release formulations. It has also made advancements in the area of characterisation of complex muco-polysachharides and complex delivery technologies, integrating IT system with generic applications and has successfully developed its own patented REMS (Risk Evaluation and Mitigation Strategy) system for narrow therapeutic index medicines.

New Drug Discovery Programme of Wockhardt

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

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

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

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

WCK 5222: During the year, your Company obtained concurrence of EMEA and the Chinese Regulator NMPA (National Medical Products Administration) for WCK 5222 abridged Phase 3 study protocol. NMPA also concurred that WCK 5222 addresses unmet need for China. Moreover, for the first time, a basic manufacturing technology for the sterile Zidebactam and WCK 5222 clinical formulation was established at FDA approved contract manufacturing sites in Europe. Phase 3 cUTI study is expected to begin in Q3 of 2019-20.

WCK 4282: Phase 3 study protocol finalized in consultation with US FDA and EMA, study to commence in Q4 2019-20. Chinese NMPA concurred that product meets unmet medical need.

WCK 4873: Obtained Indian regulator DCGI's approval for initiating Phase 3 study in India for the indication of community acquired pneumonia. Similar approval is being sought from LATAM region. Phase 3 study is schedule to commence in Q3 2019-20.

WCK 771 & WCK 2349: Phase 3 study was completed for both WCK 771 (IV) and WCK 2349 (Oral). The study demonstrated that both the NCEs are comparable to standard of care MRSA drug Linezolid. A New Drug Application (NDA) was filed in January 2019 for both the products which represents the first ever India discovered antibiotics undergoing successful Phase 3 study. NDA review is at advanced stage with IND committee of DCGI.

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

Your Company has strong focus in developing intellectual property and filed 95 patents during the year under review. During the year 66 patents were granted. Thus, year after year a high success rate for the grant of NCE patents is maintained. As on 31st March, 2019, combined pool of Company's patent has reached 3,132 filings and 694 grants.

Biotechnology Research of the Company

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

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

We also have a robust pipeline of recombinant therapeutic proteins for major healthcare needs. Out of these Recombinant Interferon Alfa 2b and PEGylated G-CSF have already been approved for manufacturing and marketing in India. Other products at different stages of development are: Recombinant Insulin analogues (Insulin Aspart, Insulin Lispro), Recombinant Darbepoetin, a GLP-1 agonist and therapeutic monoclonal antibodies etc.

E. coli based platform technology for Insulins has started displaying its potential, as revealed by the scale up studies in Project E, promising more than 24 Kg/batch in Project C and a capacity of ~3 tons/year in the existing plant and with DSP up-gradation a capacity of >6 tons/annum is achievable. The platform technology offers opportunity with surmountable challenge to replicate the same for other insulin analogues.

Biobetters:

Insulin for insulin resistant/higher BMI diabetic patients:

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

Biotechnology team is also developing other Biobetter drugs like combination of insulin and insulin analogues; insulin/insulin analogues and GLP-1 agonist for addressing the patients' needs, particularly of insulin resistant/higher BMI diabetic patients.

COMPANY OUTLOOK

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

a. Overall growth in the global pharmaceutical industry

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

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

d. Increasing pipeline of niche & complex technology generic products

SEGMENT-WISE PERFORMANCE

The Company is exclusively into pharmaceutical business segment.

DETAILS OF RATIOS

Significant changes exceeding 25% vis-à-vis immediately preceding financial year was reported in the following ratios:

a)	Interest coverage ratio	:	(0.26) to 0.59	- Favourable
b)	Operating profit margin	:	(1%) to 3%	- Favourable
c)	Net profit margin	:	(15%) to (5%)	- Favourable
d)	Return on Networth	:	(4%) to (2%)	- Favourable

There was a positive increase in the ratios such as Interest coverage, Operating Profit margin and net profit margin due to increase in revenue and operations and significant improvement in EBITDA. Return on Networth improved due to improvement in operation and one-time exceptional expense in the previous year.

Current Ratio declined from 3.07 to 2.13 due to decrease in cash and bank balance on repayment of debt.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

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

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

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

HUMAN RESOURCES

Wockhardt's talent base, as on March 31, 2019 stands at 5,840.

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

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

Our 'One Wockhardt' motto creates a unique value driven, high performance and business driven work culture. At Wockhardt, HR plays a central role in implementing the organisation's vision and strategy by aligning HR to the business. Better HR policies provides more innovative and forward looking HR focus and initiatives. Promoting diversity, learning environment and work-life balance establish a credible and integrated employee performance goal setting. We are very happy to share that Wockhardt has been adjudged as recipient of prestigious GOLDEN PEACOCK HR EXCELLENCE AWARD 2018 as a Winner by Institute of Directors in pharma sector.

'The Wockhardt Way', our nine core values of Winning, Openness, Courage, Knowledge, Humility, Ambition, Reputation, Depth and Trust are the fundamental principles on which we have built our business. We truly believe that the progress of our Associates and business are interlinked and thus created a work culture that offers a unique combination of our core values and functional proficiency.

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

In addition, we also launched our premier leadership development initiative called WOCKLEAD which aimed at identifying potential talent pool among business heads in India Business. In this program, the associates are mapped on critical functional and behavioural competencies, 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.

Your Company introduced several interventions for creating a culture of discipline and compliance, such as revamping our existing learning systems, rewards and recognition framework aligned to desired performance and business outcomes, enhancing Associate connect through Town halls, PACE Nite, On the spot recognition, Learning initiatives, Internal newsletters and communication.

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

INDEPENDENT AUDITOR'S REPORT

To the Members of Wockhardt Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of **Wockhardt Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2019, 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 for the year then ended, and notes to the consolidated Ind AS financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS 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 Ind AS financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS"), of the consolidated state of affairs of the Group as at March 31, 2019, their consolidated loss (including other comprehensive income), consolidated changes in equity and their consolidated 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 Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the matter was addressed in our audit:
1. Recoverability of carrying value of certain Property, Plant and Equipment and Capital Work in progress As disclosed in Note 38 (c) to the consolidated financial statements, certain facilities of the Group having carrying value of property, plant and equipment of ₹ 200.20 Crore and capital work in progress of ₹ 457.75 Crore have been affected due to regulatory alert from U.S. Food and Drug Administration ("USFDA"). The investment in these plants have been made considering the market feasibility and the potential of existing/future products in pipeline. The Group's remediation work is under progress and upon approval from regulatory authority, it would be able to utilise its existing facilities as well as facilities under progress and supply products to US market. All remediation expenses are being charged to Statement of Profit and Loss. We have focused on the recoverability of carrying amount of Property, Plant and Equipment and capital work in progress because of the amount involved and the required management judgement in respect of expected approval from regulatory authority and future projection of the underlying business.	Our audit procedures over the recoverability of carrying values of Property, Plant and Equipment and capital work in progress were based on the impairment tests of each Cash Generating Unit and included: • Assessing the progress of remediation work through discussion with the management and review of press releases made by the Company. • Review the forecast made by the management including future plans, market feasibility, product and plant approvals, alternative use and technical viability. • Determine the accuracy of historical budgeting to challenge the reasonableness of the future budgets. • Challenge the reasonableness of key assumptions. • Evaluation of the robustness of valuation methodology.

The Component Auditors have reported the following Key Audit Matters (KAM)	
Key Audit Matter	**How the matter was addressed by Component Auditors:**
1. Recoverability of carrying value of Intangible assets under development As disclosed in note 5 and 38 (a) of the consolidated financial statements, the Group has capitalized development expenses amounting to ₹ 545.76 Crores as on March 31, 2019 as Intangible assets under development. These additions mainly relate to the New Chemical Entity ("NCE") clinical development programme. We have focused on intangibles under development because of the amount involved and the required management judgement in respect of expected future economic benefits of the intangibles under development.	Our audit procedures over intangible assets under development included: • Gain an understanding of the status of the NCE development by review of correspondence with authorities and other third parties, company releases to the market, scientific documentation and interview of management • Test whether the development costs meet all the criteria for capitalization as set out in the accounting standards. • Reconcile on a sample basis the additional capitalised costs for the period to the underlying invoices and supporting documents. • Challenge management's assessment of the future sales related to the NCEs and the recoverability of the development costs.
2. Recoverability of carrying value of Goodwill on consolidation As disclosed in note 5 of the consolidated financial statements, the intangible assets are generally amortized over 10 years with the exception of shorter economic life and assets not yet in use (such as intangibles under development). Goodwill on consolidation is not amortised and is tested for impairment. The Group prepared impairment tests for Goodwill on consolidation having carrying value of ₹ 820.56 Crores as on March 31, 2019. These impairment tests are based on future business forecasts and budgets and other parameters. We have focused on the recoverability of carrying amount of goodwill because of the amount involved and the required management judgement in respect of expected future performance of the underlying business.	Our audit procedures over the recoverability of carrying values of goodwill were based on the impairment tests and included: • Assessing the impact of recent developments influencing current business performance on the valuation and considering the potential impact of possible downside changes in the key assumptions (stress testing). • Determine accuracy of historical budgeting to challenge the reasonableness of the future budgets. • Challenge the reasonableness of key assumptions. • Evaluation of the robustness of valuation methodology.

Other Information

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

Our opinion on the consolidated Ind AS 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 Ind AS 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 Ind AS 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act, read with relevant rules issued thereunder. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the

Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 Ind AS 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 Ind AS 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 Holding Company, its subsidiaries, which are companies incorporated in India, have adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 ability of the Group 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 consolidated Ind AS 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 Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS 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 the entities or business activities within the Group to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the Ind AS financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS 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.

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

Other Matters

(a) We did not audit the Ind AS financial statements of 24 (Twenty Four) subsidiaries, whose Ind AS financial statements reflects total assets of ₹ 9,126.79 crore and net assets of ₹ 2,593.33 crore as at March 31, 2019, total revenues of ₹ 3,270.61 crore and net cash outflow amounting to ₹585.36 crore for the year ended on that date, as considered in the consolidated Ind AS financial statements. These Ind AS financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

(b) We did not audit the Ind AS financial statements of 1 (One) subsidiary, which as per the management has been incorporated in prior years but capital infusion is yet to be done.

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

(c) The values in the Consolidated Ind AS Financial Statements are also stated in United States dollars translated at the closing year end rates. We have not reviewed the translations of the amounts mentioned in United States Dollar in the financial statements, and accordingly do not express an opinion on such amounts.

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, we report, to the extent applicable, that:

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

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept 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 Ind AS financial statements;

d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with relevant rules issued thereunder;

e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 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 March 31, 2019 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 and the operating effectiveness of such controls, we give our separate report in the "Annexure".

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act;

In our opinion and to the best of our information and according to the explanations given to us by the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, the remuneration paid/ provided to their directors during the year by the Holding Company and its subsidiary companies incorporated in India is in accordance with the provisions of section 197 of the Act;

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group– Refer Note 42 on Contingent liability to the consolidated Ind AS financial statements;

(ii) Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 18 and 23 to the consolidated Ind AS financial statements;

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

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

Bhavik L. Shah
Partner
Membership No. 122071

Place : Mumbai
Date : May 06, 2019

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Wockhardt Limited on the consolidated Ind AS financial statements for the year ended March 31, 2019]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act").

In conjunction with our audit of the consolidated Ind AS financial statements of Wockhardt Limited ("Company" or "Holding Company") as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of Holding Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to 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 control with reference to 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 Financial Statements

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Bhavik L. Shah
Partner
Membership No. 122071

Place : Mumbai
Date : May 06, 2019

CONSOLIDATED BALANCE SHEET

As at March 31, 2019

	Notes	As at March 31, 2019 ₹ in crore	As at March 31, 2019 USD in million	As at March 31, 2018 ₹ in crore	As at March 31, 2018 USD in million
ASSETS					
NON-CURRENT ASSETS					
Property, Plant and Equipment	4	**2,124.50**	**306.97**	1,947.92	298.85
Capital work-in-progress	4	**899.72**	**130.00**	1,039.13	159.42
Goodwill	5	**820.56**	**118.57**	840.58	128.96
Other Intangible Assets	5	**112.87**	**16.31**	99.46	15.26
Intangible assets under development	5	**545.76**	**78.86**	393.44	60.36
Financial assets					
Investments	6	**0.45**	**0.07**	0.45	0.07
Other financial assets	7	**38.58**	**5.57**	48.23	7.40
Non-current Tax Assets (net)		**113.08**	**16.38**	131.80	20.28
Deferred tax assets (net)	8	**273.27**	**39.49**	183.56	28.16
Other non-current assets	9	**100.87**	**14.57**	97.87	15.02
		5,029.66	**726.79**	4,782.44	733.78
CURRENT ASSETS					
Inventories	10	**819.36**	**118.36**	855.71	131.28
Financial Assets					
Investments	11	**–**	**–**	213.25	32.71
Trade receivables	12	**1,260.69**	**182.16**	962.45	147.66
Cash and cash equivalents	13	**397.34**	**57.41**	897.24	137.66
Bank balances (other than Cash and cash equivalents)	13	**51.31**	**7.42**	185.01	28.39
Other financial assets	14	**20.18**	**2.92**	8.31	1.27
Other current assets	15	**252.56**	**36.49**	257.63	39.52
		2,801.44	**404.76**	3,379.60	518.49
Total		**7,831.10**	**1,131.55**	8,162.04	1,252.27
EQUITY AND LIABILITIES					
EQUITY					
Equity Share capital	16	**55.34**	**7.99**	55.32	8.49
Other Equity		**2,619.46**	**378.50**	2,796.83	429.09
Equity attributable to the share holders of the Company		**2,674.80**	**386.49**	2,852.15	437.58
Non-controlling interests	40	**329.83**	**47.66**	345.73	53.04
Total Equity		**3,004.63**	**434.15**	3,197.88	490.62
LIABILITIES					
NON-CURRENT LIABILITIES					
Financial Liabilities					
Borrowings	17	**1,891.47**	**273.30**	2,173.11	333.40
Provisions	18	**53.48**	**7.73**	64.89	9.96
Deferred tax liabilities (net)	8	**31.07**	**4.49**	34.45	5.29
		1,976.02	**285.52**	2,272.45	348.65
CURRENT LIABILITIES					
Financial Liabilities					
Borrowings	19	**561.71**	**81.16**	437.09	67.06
Trade payables	20				
Due to Micro enterprises and Small enterprises		**78.84**	**11.39**	19.73	3.03
Due to Others		**761.40**	**110.02**	582.05	89.30
Other financial liabilities	21	**1,330.85**	**192.30**	1,487.14	228.17
Other current liabilities	22	**69.53**	**10.05**	60.99	9.36
Provisions	23	**41.93**	**6.07**	44.58	6.85
Current tax Liabilities (Net)		**6.19**	**0.89**	60.13	9.23
		2,850.45	**411.88**	2,691.71	413.00
Total		**7,831.10**	**1,131.55**	8,162.04	1,252.27
Significant accounting policies	3				
The accompanying notes form an integral part of these Financial Statements.					

As per our attached report of even date

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

Bhavik L. Shah
Partner
Membership No. 122071

Narendra Singh
Company Secretary

Manas Datta
Chief Financial Officer

Place : Mumbai
Date : May 06, 2019

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

Aman Mehta
DIN: 00009364

D. S. Brar
DIN: 00068502

Sanjaya Baru
DIN: 05344208

Tasneem Mehta
DIN: 05009664

Baldev Raj Arora
DIN: 00194168

Vinesh Kumar Jairath
DIN: 00391684

Directors

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the Year Ended March 31, 2019

	Notes	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2019 USD in million	For the year ended March 31, 2018 ₹ in crore	For the year ended March 31, 2018 USD in million
Revenue from operations	24	**4,158.38**	**600.86**	3,936.90	604.01
Other income	25	**21.02**	**3.03**	120.23	18.45
TOTAL INCOME		**4,179.40**	**603.89**	4,057.13	622.46
Expenses:					
Cost of materials consumed		**854.18**	**123.42**	867.53	133.10
Purchases of Stock-in-Trade		**919.09**	**132.80**	751.47	115.29
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	26	**41.36**	**5.97**	178.53	27.38
Employee benefits expense	27	**936.90**	**135.38**	937.06	143.75
Finance costs	28	**264.89**	**38.28**	255.49	39.21
Depreciation and amortization expense	4 & 5	**166.04**	**23.99**	149.53	22.94
Exchange fluctuation (gain)/loss, net		**25.36**	**3.66**	(57.26)	(8.78)
Other expenses	29	**1,271.90**	**183.78**	1,257.74	192.97
TOTAL EXPENSES		**4,479.72**	**647.28**	4,340.09	665.86
PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX		**(300.32)**	**(43.39)**	(282.96)	(43.40)
Exceptional items	46	**–**	**–**	358.19	54.95
PROFIT/(LOSS) BEFORE TAX		**(300.32)**	**(43.39)**	(641.15)	(98.35)
Tax expense:	8				
Current tax		**9.17**	**1.33**	50.79	7.79
Deferred tax charge/(credit)		**(92.83)**	**(13.41)**	(25.09)	(3.85)
PROFIT/(LOSS) AFTER TAX BEFORE OTHER COMPREHENSIVE INCOME		**(216.66)**	**(31.31)**	(666.85)	(102.29)
Add : Share in Profit/(Loss) of Associate Companies		**–**	**–**	–	–
NET PROFIT/(LOSS) FOR THE YEAR		**(216.66)**	**(31.31)**	(666.85)	(102.29)
PROFIT/(LOSS) FOR THE YEAR					
Attributable to:					
Equity holders of the Company		**(194.53)**	**(28.11)**	(608.30)	(93.31)
Non-controlling interests		**(22.13)**	**(3.20)**	(58.55)	(8.98)
		(216.66)	**(31.31)**	(666.85)	(102.29)
OTHER COMPREHENSIVE INCOME:					
A (i) Items that will not be reclassified to profit or loss (Consisting of re-measurement of net defined benefit (liability)/asset)		**(10.57)**	**(1.53)**	32.16	4.93
(ii) Income tax relating to items that will not be reclassified to profit or loss		**0.26**	**0.04**	(9.10)	(1.40)
B. (i) Items that will be reclassified to profit or loss (Consisting of Exchange differences on translating the financial statements of a foreign operation)		**19.31**	**2.79**	116.30	17.84
(ii) Income tax relating to items that will be reclassified to profit or loss		**–**	**–**	–	–
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR (NET OF TAX)		**9.00**	**1.30**	139.36	21.37
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		**(207.66)**	**(30.01)**	(527.49)	(80.92)
Attributable to:					
Equity holders of the Company		**(191.76)**	**(27.71)**	(491.28)	(75.37)
Non-controlling interests		**(15.90)**	**(2.30)**	(36.21)	(5.55)
Earnings per equity share of face value of ₹ 5 each					
Basic ₹ / USD	32	**(17.58)**	**(0.25)**	(55.01)	(0.84)
Diluted ₹ / USD	32	**(17.58)**	**(0.25)**	(55.01)	(0.84)
Significant accounting policies	3				
The accompanying notes form an integral part of these Financial Statements.					

As per our attached report of even date

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

Bhavik L. Shah
Partner
Membership No. 122071

Narendra Singh
Company Secretary

Manas Datta
Chief Financial Officer

Place : Mumbai
Date : May 06, 2019

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

Aman Mehta
DIN: 00009364

D. S. Brar
DIN: 00068502

Sanjaya Baru
DIN: 05344208

Tasneem Mehta
DIN: 05009664

Baldev Raj Arora
DIN: 00194168

Vinesh Kumar Jairath
DIN: 00391684

Directors

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended March 31, 2019

Equity Share Capital

As at April 01, 2017 ₹ in crore	Changes in equity share capital during the year ₹ in crore	As at March 31, 2018 ₹ in crore	Changes in equity share capital during the year ₹ in crore	**As at March 31, 2019 ₹ in crore**
55.27	0.05	55.32	0.02	**55.34**

Other equity

	Reserves and Surplus								Other comprehensive income	Total Equity attributable to the share holders of the Company	Non-controlling interests	Total Equity
	Capital Reserve		Capital Redemption Reserve	Securities Premium	Share Options Outstanding Account	General Reserve	Other Reserve (FCMITDA)	Retained Earnings	Exchange differences on translating the financial Statements of a foreign operation			
	Capital Contribution	Capital Reserve (other than capital contribution)										
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Balance as on April 01, 2017	**43.96**	**172.78**	**489.35**	**59.04**	**37.01**	**259.83**	**(6.88)**	**2,055.54**	**170.81**	**3,281.44**	**381.94**	**3,663.38**
Profit/(Loss) for the year	–	–	–	–	–	–	–	(608.30)	–	(608.30)	(58.55)	(666.85)
Other comprehensive income/(Loss) for the year	–	–	–	–	–	–	–	19.80	97.22	117.02	22.34	139.36
Total comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(588.50)**	**97.22**	**(491.28)**	**(36.21)**	**(527.49)**
Net additions on ESOP options (also refer note 41)	–	–	–	6.00	(0.29)	0.88	–	–	–	6.59	–	6.59
Addition in Foreign Currency Monetary Items Translation Difference Account (FCMITDA)	–	–	–	–	–	–	(1.40)	–	–	(1.40)	–	(1.40)
Amortisation from Foreign Currency Monetary Items Translation Difference Account (FCMITDA)	–	–	–	–	–	–	1.48	–	–	1.48	–	1.48
Balance as on March 31, 2018	**43.96**	**172.78**	**489.35**	**65.04**	**36.72**	**260.71**	**(6.80)**	**1,467.04**	**268.03**	**2,796.83**	**345.73**	**3,142.56**
Profit/(Loss) for the year	–	–	–	–	–	–	–	(194.53)	–	(194.53)	(22.13)	(216.66)
Other comprehensive income/(Loss) for the year	–	–	–	–	–	–	–	(9.02)	11.79	2.77	6.23	9.00
Total comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(203.55)**	**11.79**	**(191.76)**	**(15.90)**	**(207.66)**
Net additions on ESOP options (also refer note 41)	–	–	–	3.55	(4.45)	1.86	–	–	–	0.96	–	0.96
Net additions on Preference shares	21.61	–	–	–	–	–	–	–	–	21.61	–	21.61
Addition in Foreign Currency Monetary Items Translation Difference Account (FCMITDA)	–	–	–	–	–	–	(22.14)	–	–	(22.14)	–	(22.14)
Amortisation from Foreign Currency Monetary Items Translation Difference Account (FCMITDA)	–	–	–	–	–	–	13.96	–	–	13.96	–	13.96
Balance as on March 31, 2019	**65.57**	**172.78**	**489.35**	**68.59**	**32.27**	**262.57**	**(14.98)**	**1,263.49**	**279.82**	**2,619.46**	**329.83**	**2,949.29**

Notes: Nature and purpose of reserves:

Capital Contribution

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

Capital Reserve (Other than capital contribution)

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

Capital Redemption Reserve

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

Securities Premium

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

Share Options Outstanding Account

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

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.

Foreign Currency Monetary Items Translation Difference Account (FCMITDA)

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

As per our attached report of even date

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

Bhavik L. Shah
Partner
Membership No. 122071

Place : Mumbai
Date : May 06, 2019

Narendra Singh
Company Secretary

Manas Datta
Chief Financial Officer

For and on behalf of the Board of Directors

H. F. Khorakiwala
Chairman
DIN: 00045608

Huzaifa Khorakiwala
Executive Director
DIN: 02191870

Murtaza Khorakiwala
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Non Executive Director
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DIN: 05344208

Tasneem Mehta
DIN: 05009664

Baldev Raj Arora
DIN: 00194168

Vinesh Kumar Jairath
DIN: 00391684

Directors

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended March 31, 2019

		For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2019 USD in million	For the year ended March 31, 2018 ₹ in crore	For the year ended March 31, 2018 USD in million
A.	**CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES:**				
	Net Profit/(Loss) Before Tax	**(300.32)**	**(43.39)**	(641.15)	(98.35)
	Adjustments for :				
	Share based payments to Employees	**1.58**	**0.23**	6.60	1.01
	Depreciation and amortization expense	**166.04**	**23.99**	149.53	22.94
	Exchange fluctuation loss/(gain), net	**25.36**	**3.66**	(57.26)	(8.78)
	MTM loss/(gain) on current investment	**–**	**–**	(8.10)	(1.24)
	Liabilities no more payable	**(1.06)**	**(0.15)**	(9.46)	(1.45)
	Allowance for credit loss	**1.28**	**0.18**	2.39	0.37
	Provision for doubtful advances	**–**	**–**	5.25	0.80
	Bad debts	**0.25**	**0.04**	4.03	0.62
	Trade receivable adjusted against settlement (Refer note 46)	**–**	**–**	166.66	25.57
	Loss on assets sold/write off of fixed assets (net)	**1.17**	**0.17**	26.82	4.11
	Loss/(profit) on sale of investments	**–**	**–**	(59.69)	(9.16)
	Income from investment	**–**	**–**	(7.18)	(1.10)
	Finance costs	**264.89**	**38.28**	255.49	39.21
	Interest income	**(17.54)**	**(2.53)**	(29.31)	(4.50)
	Fair valuation impact on certain financial instruments	**2.55**	**0.37**	3.01	0.46
	Operating gain/(loss) before Working Capital changes	**144.20**	**20.85**	(192.37)	(29.49)
	Movement in working capital				
	(Increase)/Decrease in inventories	**36.35**	**5.25**	252.24	38.70
	(Increase)/Decrease in trade receivables	**(293.57)**	**(42.42)**	(69.81)	(10.71)
	(Increase)/Decrease in loans and advances and other assets	**(3.61)**	**(0.53)**	(46.85)	(7.20)
	Increase/(decrease) in trade payables, other liabilities and provisions	**293.72**	**42.44**	114.91	17.63
	Adjustment for translation difference in working capital	**47.40**	**6.85**	27.84	4.27
	Cash generated from operations	**224.49**	**32.44**	85.96	13.20
	Income taxes paid	**(41.17)**	**(5.95)**	(17.52)	(2.69)
	Net cash from/(used in) Operating Activities (A)	**183.32**	**26.49**	68.44	10.51
B.	**CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES:**				
	Purchase of Property, Plant and Equipment, capital work in progress, other intangible assets and intangibles assets under development	**(274.87)**	**(39.72)**	(307.41)	(47.16)
	Proceeds from sale of Property, Plant and Equipment	**5.37**	**0.78**	1.35	0.21
	Sale/(purchase) of investments	**213.25**	**30.81**	440.48	67.58
	Income from Investment	**–**	**–**	7.18	1.10
	Margin money (under lien) and Bank balances (other than cash and cash equivalents)	**135.43**	**19.57**	453.46	69.57
	Interest received	**15.39**	**2.22**	35.18	5.40
	Net cash from/(used in) Investing Activities (B)	**94.57**	**13.66**	630.24	96.70

	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2019 USD in million	For the year ended March 31, 2018 ₹ in crore	For the year ended March 31, 2018 USD in million
C. CASH FLOWS PROVIDED BY/(USED IN) FINANCING ACTIVITIES (also refer note 43):				
Proceeds from issuance of share capital	**0.02**	**–**	0.05	0.01
Redemption of Preference Share Capital	**(218.56)**	**(31.58)**	–	–
Repayment of long-term borrowings	**(819.21)**	**(118.37)**	(309.47)	(47.48)
Proceeds from long-term borrowings	**200.00**	**28.90**	3.80	0.58
Proceeds from Issuance of preference shares	**250.00**	**36.12**	–	–
Short-term borrowings (net)	**122.84**	**17.75**	(230.77)	(35.41)
Finance cost paid	**(258.73)**	**(37.38)**	(232.98)	(35.74)
Premium on redemption of preference shares	**(52.78)**	**(7.63)**	–	–
Dividend paid (including dividend distribution tax) by the Company and Subsidiary	**(0.02)**	**–**	(0.10)	(0.02)
Net cash from/(used in) Financing Activities (C)	**(776.44)**	**(112.19)**	(769.47)	(118.06)
NET INCREASE IN/(DECREASE IN) CASH AND CASH EQUIVALENTS (A+B+C)	**(498.55)**	**(72.04)**	(70.79)	(10.85)
CASH AND CASH EQUIVALENTS, beginning of year	**897.24**	**129.64**	963.64	147.84
Unrealised gain/(loss) on foreign currency cash and cash equivalents	**(1.35)**	**(0.19)**	4.39	0.67
CASH AND CASH EQUIVALENTS, end of year	**397.34**	**57.41**	897.24	137.66
Components of cash and cash equivalents, as at March 31, 2019				
Cash	**0.07**	**0.01**	0.10	0.02
Balance with banks:				
– in current accounts	**327.13**	**47.27**	896.90	137.60
– deposit with maturity of less than 3 months	**70.14**	**10.13**	0.24	0.04
	397.34	**57.41**	897.24	137.66

Notes:

A. All figures in bracket are outflow.

B. Income taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

As per our attached report of even date

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

Bhavik L. Shah
Partner
Membership No. 122071

Place : Mumbai
Date : May 06, 2019

Narendra Singh
Company Secretary

Manas Datta
Chief Financial Officer

For and on behalf of the Board of Directors

H. F. Khorakiwala
Chairman
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Executive Director
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Baldev Raj Arora
DIN: 00194168

Vinesh Kumar Jairath
DIN: 00391684

Directors

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended March 31, 2019

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

1. CORPORATE INFORMATION

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

The Company and its subsidiaries (the 'Group') is a Global Pharmaceutical and Biotech company with presence in USA, UK, Switzerland, Ireland, Mexico, Russia and many other countries. It has manufacturing and research facilities in India, USA & UK and a manufacturing facility in Ireland. The Company has a significant presence in USA, Europe and India. The financial statements were approved by the Board of Directors and authorised for issue on May 06, 2019.

Background

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

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

* Incorporated on March 25, 2019.

\# Wockhardt Bio Ltd is yet to commence business.

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

2. BASIS OF PREPARATION OF 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") prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

B. Basis of preparation

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

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

Convenience translation

The accompanying financial statements have been prepared in Indian rupees, the national currency of India. Solely for the convenience of the reader, the financial statements as of March 31, 2019 and March 31, 2018 have been translated into United States dollars at the closing rate USD 1 = ₹ 69.2075 (previous year: USD 1 = ₹ 65.1800). No representation is made that the Indian rupee amounts have been, could have been or could be converted into United States dollars at such a rate or any other rate.

C. Basis of consolidation

Subsidiaries

Subsidiaries are all entities that are controlled by the Company. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these consolidated financial statements from the date 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.

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

Transactions eliminated on consolidation

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

D. Use of Estimates and Judgements

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

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

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

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

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

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

(ii) *Leasehold land:*

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

<u>*Key sources of estimation uncertainty:*</u>

(i) *Impairment of trade receivables:*

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

(ii) Legal and other disputes:

The 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 judgemental and could change substantially over time as new facts emerge and each dispute progresses.

(iii) 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 gratuity increases, discount rates, expected long-term rates of return on assets and mortality rates.

(iv) Sales returns and rebates:

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

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

Because the amounts are 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 Group.

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

3. SIGNIFICANT ACCOUNTING POLICIES OF THE GROUP:

(a) Property, Plant and Equipment and Depreciation

I. Recognition and Measurement:

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

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

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

II. Subsequent expenditure

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

Any gain or loss on disposal of an item of Property, Plant and Equipment is recognised in the Statement of Profit and Loss.

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

III. Depreciation and amortisation

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

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

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

(b) Intangible assets

I. Recognition and Measurement:

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

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

II. Subsequent Expenditure

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

III. Amortisation

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

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

Goodwill is tested for impairment annually.

(c) Research and Development

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

(d) Impairment of assets

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

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

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

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

(e) Foreign Currency Transactions/Translations

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

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

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

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

(f) Financial Instruments

I. Financial assets

(i) Classification of financial assets

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

Debt instruments at amortised cost:

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

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

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

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

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

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

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

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

Equity investments:

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

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

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

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

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, and are measured at amortised cost e.g. loans, debt securities, deposits and bank balance.

(b) Trade receivables.

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

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

II. Financial Liabilities and equity instruments:

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

(i) Equity instruments:

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

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

(ii) Financial liabilities – Classification:

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

(iii) Initial recognition and measurement:

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

(iv) Derecognition

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

III. Fair value:

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

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

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

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

IV. Accounting for day 1 differences:

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

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

In case the difference represents:

(i) deemed capital contribution - it is recorded as an Investment in Subsidiary,

(ii) deemed distribution - It is recorded in equity

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

V. Embedded derivatives

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

VI. Financial guarantee contracts

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

VII. Offsetting of financial instruments

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

(g) Business combinations

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

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

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

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

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

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

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

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

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

(h) Income tax

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

Current tax

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

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

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

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

Deferred tax

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

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

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

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

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

Deferred tax assets and liabilities are offset only if:

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

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

(i) Inventories

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

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

Inventories of stores and spare parts are valued at cost.

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

(j) Revenue Recognition

Sale of goods

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

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.

Sale of Services and Sale of Intellectual Property

Revenues from services and sale of intellectual property is recognised in accordance with the terms of the relevant agreement(s) as generally accepted and agreed with the customers and when control transfers to such customers and Company's performance obligations are satisfied.

Export Incentive

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

Royalties

Revenue is recognised on an accrual basis in accordance with the terms of the relevant agreement. Revenue is recognised when it is reasonable to expect that the ultimate collection will be made.

Insurance claims

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

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

(k) Employee Benefits

Short term employee benefits

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

Defined contribution plans

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

Defined benefit plans

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

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

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

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

Other long-term employee benefits

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

(l) Share-based payment transactions

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

(m) Leases

Determination of lease arrangement

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

a) fulfilment of the arrangement is dependent on the use of a specific asset or assets and

b) the arrangement conveys a right to use the asset.

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

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

Finance Lease

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

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

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

Operating Lease

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

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

(n) Provisions, Contingent Liabilities and Contingent Assets

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

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

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

(o) Borrowing costs

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

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

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

(p) Government Grants

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

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

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

(q) Earnings per share

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

(r) Segment reporting

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

(s) 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.

(t) Operating cycle

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

4. PROPERTY, PLANT AND EQUIPMENT

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

Particulars	Gross Block					Accumulated Depreciation						Net Block			
	As at April 01, 2017	Additions	Disposals	Exchange Gain/(Loss)	As at March 31, 2018	As at April 01, 2017	Depreciation charge for the year	Impairment Losses	Deduction/ Transfer	Exchange Gain/(Loss)	As at March 31, 2018	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2017
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	USD in million	₹ in crore	USD in million
Freehold Land	149.18	0.53	-	0.43	150.14	-	-	-	-	-	-	150.14	23.03	149.18	22.99
Leasehold Land	281.13	-	-	-	281.13	6.84	5.69	-	-	-	12.53	268.60	41.21	274.29	42.28
Buildings	479.87	36.49	-	16.33	532.69	145.85	14.21	-	-	7.56	167.62	365.07	56.01	334.02	51.49
Plant and Equipment	2,105.09	69.44	(10.26)	46.42	2,210.69	968.77	101.71	-	(6.74)	34.88	1,098.62	1,112.07	170.61	1,136.32	175.15
Furniture and Fixtures	56.04	3.96	(0.64)	2.60	61.96	36.38	4.17	-	(0.54)	1.88	41.89	20.07	3.08	19.66	3.03
Vehicles	6.94	0.03	(0.16)	0.03	6.84	5.88	0.60	-	(0.16)	0.03	6.35	0.49	0.08	1.06	0.16
Office Equipment	32.54	7.44	(0.62)	2.10	41.46	12.70	4.07	-	(0.54)	1.04	17.27	24.19	3.71	19.84	3.06
Information Technology Equipments	81.37	6.90	-	2.80	91.07	73.69	7.63	-	-	2.46	83.78	7.29	1.12	7.68	1.18
Total	**3,192.16**	**124.79**	**(11.68)**	**70.71**	**3,375.98**	**1,250.11**	**138.08**	**-**	**(7.98)**	**47.85**	**1,428.06**	**1,947.92**	**298.85**	**1,942.05**	**299.34**
Capital Work In Progress (Refer Note (b) below)												1,039.13	159.42	971.29	149.72

Notes:

(a) Exchange differences arising on long term foreign currency monetary items relating to depreciable asset adjusted in additions above amount to ₹ 9.59 crore (Previous year : ₹ 0.61 crore).

(b) Addition to Capital Work-In-Progress includes expenditure incurred during construction period pending allocation aggregating ₹ 27.18 crore (Previous year : ₹ 24.76 crore). These expenses include Employee and material cost ₹ Nil (Previous year : ₹ 1.30 crore), Depreciation ₹ Nil (Previous year : ₹ 0.11 crore), Interest Cost ₹ 10.51 crore (Previous year : ₹ 15.66 crore) and Other operating cost ₹ 16.67 crore (Previous year : ₹ 7.69 crore) [Rates and taxes ₹ Nil (Previous year : ₹ 0.05 crore), Repairs and maintenance ₹ Nil (Previous year : ₹ 0.40 crore), Stores and spare parts consumed ₹ Nil (Previous year : ₹ 0.05 crore), legal and professional charges ₹ 0.15 crore (Previous year : ₹ 0.02 crore) and Other general expenses ₹ 16.52 crore (Previous year : ₹ 7.17 crore)].

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

5. GOODWILL

Particulars	Gross Block					Accumulated Impairment					Net Block			
	As at April 01, 2018	Additions	Disposals	Exchange Gain/(Loss)	**As at March 31, 2019**	As at April 01, 2018	Impairment Losses	Deduction/ Transfer	Exchange Gain/(Loss)	**As at March 31, 2019**	**As at March 31, 2019**	**As at March 31, 2019**	As at March 31, 2018	As at March 31, 2018
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	**₹ in crore**	₹ in crore	₹ in crore	₹ in crore	₹ in crore	**₹ in crore**	**₹ in crore**	**USD in million**	₹ in crore	USD in million
Goodwill on consolidation	1,888.11	–	–	(20.38)	**1,867.73**	1,047.53	–	–	(0.36)	**1,047.17**	**820.56**	**118.57**	840.58	128.96

Particulars	Gross Block					Accumulated Impairment					Net Block			
	As at April 01, 2017	Additions	Disposals	Exchange Gain/(Loss)	As at March 31, 2018	As at April 01, 2017	Impairment Losses	Deduction/ Transfer	Exchange Gain/(Loss)	As at March 31, 2018	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2017
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	USD in million	₹ in crore	USD in million
Goodwill on consolidation	1,781.18	–	–	106.93	1,888.11	1,044.67	–	–	2.86	1,047.53	840.58	128.96	736.51	113.53

OTHER INTANGIBLE ASSETS

Particulars	Gross Block					Accumulated Amortization						Net Block			
	As at April 01, 2018	Additions	Disposals	Exchange Gain/(Loss)	**As at March 31, 2019**	As at April 01, 2018	Amortization charge for the year	Impairment Losses	Deduction/ Transfer	Exchange Gain/(Loss)	**As at March 31, 2019**	**As at March 31, 2019**	**As at March 31, 2019**	As at March 31, 2018	As at March 31, 2018
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	**₹ in crore**	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	**₹ in crore**	**₹ in crore**	**USD in million**	₹ in crore	USD in million
Brands/Trademarks/Technical know-how	399.33	15.76	(0.49)	18.33	432.93	339.94	4.49	–	(0.34)	11.73	**355.82**	**77.11**	11.14	59.39	9.11
Computer software	108.87	1.71	(0.01)	3.41	113.98	68.80	7.08	–	(0.01)	2.35	**78.22**	**35.76**	5.17	40.07	6.15
Total	**508.20**	**17.47**	**(0.50)**	**21.74**	**546.91**	**408.74**	**11.57**	**–**	**(0.35)**	**14.08**	**434.04**	**112.87**	**16.31**	**99.46**	**15.26**
Intangible assets under Development												545.76	78.86	393.44	60.36

Particulars	Gross Block					Accumulated Amortization						Net Block			
	As at April 01, 2017	Additions	Disposals	Exchange Gain/(Loss)	As at March 31, 2018	As at April 01, 2017	Amortization charge for the year	Impairment Losses	Deduction/ Transfer	Exchange Gain/(Loss)	As at March 31, 2018	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2017
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	USD in million	₹ in crore	USD in million
Brands/Trademarks/Technical know-how	387.39	3.53	-	8.41	399.33	326.12	5.81	-	-	8.01	339.94	59.39	9.11	61.27	9.44
Computer software	95.67	12.88	-	0.32	108.87	62.95	5.64	-	-	0.21	68.80	40.07	6.15	32.72	5.04
Total	**483.06**	**16.41**	**-**	**8.73**	**508.20**	**389.07**	**11.45**	**-**	**-**	**8.22**	**408.74**	**99.46**	**15.26**	**93.99**	**14.48**
Intangible assets under Development												393.44	60.36	272.66	42.03

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

5 GOODWILL ON CONSOLIDATION

Movement of carrying amount – Refer Schedule of Goodwill

Impairment testing of Goodwill on Consolidation

A. Pinewood Laboratories Limited

Pinewood Laboratories Limited ("Pinewood"), incorporated in Ireland, is a step down Subsidiary of the Company. The goodwill is majorly attributable to Pinewood.

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

	As at March 31, 2019 ₹ in crore	As at March 31, 2018 ₹ in crore
Pinewood	**692.23**	715.82
	692.23	715.82

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 seven years developed using internal forecasts and a terminal growth rate thereafter. The planning horizon reflects the assumptions for short-to-mid term market developments.

Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs. The discount rate is estimated based on the weighted average cost of capital for respective CGU or group of CGUs. Post-tax discount rates used was 10% (Previous year : 10%).

The management believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

B. CP Pharmaceuticals Limited

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

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

	As at March 31, 2019 ₹ in crore	As at March 31, 2018 ₹ in crore
CP Pharmaceuticals	**49.02**	49.74
	49.02	49.74

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.

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% (Previous year : 9.8%).

The management believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash- generating unit.

C. Morton Grove Pharmaceuticals Inc.

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

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

	As at March 31, 2019 ₹ in crore	As at March 31, 2018 ₹ in crore
Morton Grove	**79.31**	75.02
	79.31	75.02

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

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

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

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

Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs. The discount rate is estimated based on the weighted average cost of capital for respective CGU or group of CGUs. Post-tax discount rates used was 9.8% (Previous year : 9.6%).

The management believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash- generating unit.

6. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

	As at March 31, 2019 ₹ in crore	As at March 31, 2019 USD in million	As at March 31, 2018 ₹ in crore	As at March 31, 2018 USD in million
Investments carried at fair value through profit or loss				
Unquoted Equity Shares:				
443,482 (Previous year : 443,482) Equity Shares of Narmada Clean Tech Limited (formerly known as Bharuch Eco-Aqua Infrastructure Limited) of ₹10 each fully paid up (Transaction Value: ₹ 0.44 Crore; Previous year : ₹ 0.44 Crore)	**0.44**	**0.07**	0.44	0.07
6,300 (Previous year : 6,300) Equity Shares of Bharuch Enviro Infrastructure Limited of ₹ 10 each fully paid up (Transaction Value: ₹ 0.01 Crore; Previous year : ₹ 0.01 Crore)	**0.01**	**–**	0.01	-
Total	**0.45**	**0.07**	0.45	0.07
Aggregate book value of unquoted investments	**0.45**	**0.07**	0.45	0.07

7. NON-CURRENT FINANCIAL ASSETS – OTHERS

	As at March 31, 2019 ₹ in crore	As at March 31, 2019 USD in million	As at March 31, 2018 ₹ in crore	As at March 31, 2018 USD in million
Margin money (under lien)	**1.24**	**0.18**	2.97	0.46
Deposit with maturity of more than 12 months (under Lien)	**0.16**	**0.02**	–	–
Security Deposits				
(includes deposits with Related parties ₹ 32.96 crore (Previous year : ₹ 33.12 crore) - Refer note 39)	**37.18**	**5.37**	45.26	6.94
Total	**38.58**	**5.57**	48.23	7.40

8. INCOME TAX

(a) Tax recognised in profit or loss

	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2018 ₹ in crore
Current tax charge/(credit)	**9.17**	50.79
Deferred tax charge/(credit), net		
Origination and reversal of temporary differences including Minimum Alternate Tax (MAT) credit entitlement	**(68.33)**	(55.93)
Recognition of previously unrecognised tax losses (net)	**(24.65)**	–
Change in tax rate	**0.15**	30.84
Deferred tax charge/(credit)	**(92.83)**	(25.09)
Tax charge/(credit) for the year	**(83.66)**	25.70

(b) Tax recognised in other comprehensive income

	For the year ended March 31, 2019			For the year ended March 31, 2018		
	Before tax (charge)/credit ₹ in crore	Tax (charge)/ credit ₹ in crore	Net of tax (charge)/credit ₹ in crore	Before tax (charge)/credit ₹ in crore	Tax (charge)/ credit ₹ in crore	Net of tax (charge)/credit ₹ in crore
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	**(10.57)**	**0.26**	**(10.31)**	32.16	(9.10)	23.06
Total	**(10.57)**	**0.26**	**(10.31)**	32.16	(9.10)	23.06

(c) Reconciliation of effective tax rate

	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2018 ₹ in crore
Profit/(loss) before tax	**(300.32)**	(641.15)
Tax using the Company's domestic tax rate (Current year - 34.944% and Previous year : 34.944%)	**(104.94)**	(224.04)
Differences in tax rates of foreign jurisdictions/tax status	**64.53**	94.05
Adjustment of tax charge in respect of prior periods	**(4.90)**	2.22
Impact of changes in tax rates during the year	**0.15**	30.84
Non-deductible tax expenses	**11.92**	17.81
Tax deductible expenses	**(2.13)**	–
Current-year losses for which no deferred tax asset is recognised	**9.87**	4.87
Incremental deduction allowed for research and development costs	**(19.74)**	(25.27)
Recognition of tax effect of previously unrecognised tax losses (net)	**(24.65)**	(0.29)
Tax/Deferred tax on intercompany adjustments	**(12.92)**	112.38
Other temporary differences	**(0.85)**	13.13
	(83.66)	25.70
Effective tax rate for the year	**27.86%**	-4.01%

The effective tax rate for the year ended March 31, 2019 was impacted as a result of difference in tax rates of various tax jurisdictions. Further weighted deduction on research and development expenses under Section 35(2AB) of the Income Tax Act, 1961 is claimed in India. Further, based on clarification introduced in Finance bill, the brought forward losses pertaining to exempted unit are considered eligible for set off against taxable income and hence, the Company has recognised during the year deferred tax asset on such losses in India.

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

	Deferred tax assets		Deferred tax (liabilities)		Net deferred tax asset/ (liabilities)	
	March 31, 2019 ₹ in crore	March 31, 2018 ₹ in crore	March 31, 2019 ₹ in crore	March 31, 2018 ₹ in crore	March 31, 2019 ₹ in crore	March 31, 2018 ₹ in crore
Property, Plant and Equipment	**(256.65)**	(256.07)	**(47.57)**	(45.85)	**(304.22)**	(301.92)
Unabsorbed losses	**254.27**	144.54	**–**	–	**254.27**	144.54
Unrealised profit on inventory	**20.88**	26.34	**0.40**	0.55	**21.28**	26.89
Employee benefits	**24.63**	28.90	**–**	–	**24.63**	28.90
Deferred income/expenses	**22.01**	37.61	**–**	–	**22.01**	37.61
Allowance for credit loss	**35.42**	36.97	**0.02**	0.02	**35.44**	36.99
Other items	**5.68**	(1.76)	**0.90**	–	**6.58**	(1.76)
Minimum Alternate Tax (MAT) credit entitlement	**167.03**	167.03	**15.18**	10.83	**182.21**	177.86
Deferred tax assets/(liabilities)	**273.27**	183.56	**(31.07)**	(34.45)	**242.20**	149.11

(e) Movement in deferred tax assets and liabilities

	Net deferred tax asset/(liabilities) as on April 01, 2018 ₹ in crore	Recognised in profit or loss ₹ in crore	Recognised in other comprehensive income ₹ in crore	Recognised directly in equity ₹ in crore	Net deferred tax asset/(liabilities) as on March 31, 2019 ₹ in crore
Deferred tax asset/(liabilities)					
Property, Plant and Equipment	(301.92)	(2.30)	–	–	**(304.22)**
Unabsorbed losses	144.54	109.73	–	–	**254.27**
Unrealised profit on inventory	26.89	(5.61)	–	–	**21.28**
Employee benefits	28.90	(4.53)	0.26	–	**24.63**
Deferred income/expenses	37.61	(15.60)	–	–	**22.01**
Allowance for credit loss	36.99	(1.55)	–	–	**35.44**
Other items	(1.76)	8.34	–	–	**6.58**
Deferred tax assets/(liabilities)	(28.75)	88.48	0.26	–	**59.99**
Minimum Alternate Tax (MAT) credit entitlement	177.86	4.35	–	–	**182.21**
Net deferred tax assets/(liabilities)	149.11	92.83	0.26	–	**242.20**

(f) Movement in deferred tax assets and liabilities

	Net deferred tax asset/(liabilities) as on April 01, 2017 ₹ in crore	Recognised in profit or loss ₹ in crore	Recognised in other comprehensive income ₹ in crore	Recognised directly in equity ₹ in crore	Net deferred tax asset/(liabilities) as on March 31, 2018 ₹ in crore
Deferred tax asset/(liabilities)					
Property, Plant and Equipment	(300.50)	(1.42)	–	–	(301.92)
Unabsorbed losses	115.81	28.73	–	–	144.54
Unrealised profit on inventory	43.85	(16.96)	–	–	26.89
Employee benefits	24.34	13.66	(9.10)	–	28.90
Deferred income/expenses	51.27	(13.66)	–	–	37.61
Allowance for credit loss	42.66	(5.67)	–	–	36.99
Other items	3.15	(4.91)	–	–	(1.76)
Deferred tax assets/(liabilities)	(19.42)	(0.23)	(9.10)	–	(28.75)
Minimum Alternate Tax (MAT) credit entitlement	152.54	25.32	–	–	177.86
Net deferred tax assets/(liabilities)	133.12	25.09	(9.10)	–	149.11

(i) The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

(ii) Aggregate carried forward tax losses for which no deferred tax has been created, with respect to the subsidiaries amounted to ₹ 143.52 crore (Previous year : ₹ 149.13 crore). These tax losses are available for set off against future taxable profits, without any limitation of the number of years for set off.

(iii) Minimum Alternative Tax (MAT) credit balance amounts to ₹ 182.21 crore (Previous year : ₹ 177.86 crore). The Company is reasonably certain of availing the said MAT credit in future years against the normal tax expected to be paid in those years.

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

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

(vi) Based on the clarification introduced in the Finance Bill, brought forward losses pertaining to exempted unit became eligible for set-off against the taxable income and hence the Company has recognised deferred tax on the total losses eligible for carry forward and set-off in India as on March 31, 2019.

(vii) No deferred tax has been recognised in respect of temporary differences associated with investments in subsidiaries where the Company is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future. The aggregate amount of temporary differences associated with such investments in subsidiaries is represented by the contribution of those investments to the Company's retained earnings and amounted to ₹ 2,005.98 crore (Previous year : ₹ 2,122.47 crore).

9. OTHER NON-CURRENT ASSETS

	As at March 31, 2019 ₹ in crore	**As at March 31, 2019 USD in million**	As at March 31, 2018 ₹ in crore	As at March 31, 2018 USD in million
Capital Advances	**5.16**	**0.75**	9.03	1.39
Security Deposits	**13.38**	**1.93**	14.97	2.30
Other advances	**82.33**	**11.89**	73.87	11.33
Includes advance rent with related parties ₹ 18.00 crore (Previous year : ₹ 16.06 crore) The above advances also include balances with government authorities amounting ₹ 52.18 crore (Previous year : ₹ 52.50 crore)				
Total	**100.87**	**14.57**	97.87	15.02

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

10. INVENTORIES

	As at March 31, 2019 ₹ in crore	As at March 31, 2019 USD in million	As at March 31, 2018 ₹ in crore	As at March 31, 2018 USD in million
Raw Materials and components	**292.97**	**42.33**	294.82	45.23
Goods-in-transit	**4.87**	**0.70**	6.37	0.98
	297.84	**43.03**	301.19	46.21
Work-in-progress	**50.90**	**7.35**	69.29	10.63
Stock-in-trade	**144.45**	**20.87**	144.19	22.12
Goods-in-transit	**4.67**	**0.67**	3.87	0.59
	149.12	**21.54**	148.06	22.71
Finished goods	**255.17**	**36.87**	279.20	42.84
Stores and spares	**66.33**	**9.57**	57.97	8.89
Total	**819.36**	**118.36**	855.71	131.28

Note:

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

(b) Write down of inventories to net realisable value for the year is ₹ 23.52 crore (Previous year : ₹ 50.39 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.

11. CURRENT FINANCIAL ASSETS – INVESTMENTS

	As at March 31, 2019 ₹ in crore	As at March 31, 2019 USD in million	As at March 31, 2018 ₹ in crore	As at March 31, 2018 USD in million
Investments carried at fair value through profit or loss				
Quoted				
In Bonds	–	–	25.75	3.95
In Equity shares	–	–	24.51	3.76
In Bond Funds and Mutual Funds	–	–	162.99	25.00
Total	–	–	213.25	32.71
Aggregate amount of quoted investments and market value thereof	–	–	213.25	32.71

12. TRADE RECEIVABLES

	As at March 31, 2019 ₹ in crore	As at March 31, 2019 USD in million	As at March 31, 2018 ₹ in crore	As at March 31, 2018 USD in million
Unsecured, considered good	**1,330.09**	**192.19**	1,052.47	161.47
Less: Allowance for credit loss	**(69.40)**	**(10.03)**	(90.02)	(13.81)
	1,260.69	**182.16**	962.45	147.66
Unsecured, credit impaired	**80.86**	**11.68**	63.00	9.67
Less: Allowance for credit loss	**(80.86)**	**(11.68)**	(63.00)	(9.67)
	–	**–**	–	–
Total	**1,260.69**	**182.16**	962.45	147.66

Note:

Trade receivables include dues from private companies in which any director is a director or a member ₹ 1.50 crore (Previous year : ₹ 3.14 crore).

13. CASH AND BANK BALANCES

	As at March 31, 2019 ₹ in crore	As at March 31, 2019 USD in million	As at March 31, 2018 ₹ in crore	As at March 31, 2018 USD in million
Cash and cash equivalents				
Balances with banks				
In current account	**327.13**	**47.27**	896.90	137.60
Deposits with maturity of less than 3 months	**70.14**	**10.13**	0.24	0.04
	397.27	**57.40**	897.14	137.64
Cash in hand	**0.07**	**0.01**	0.10	0.02
	397.34	**57.41**	897.24	137.66
Other bank balances				
Deposits with original maturity of more than 3 months but less than 12 months	**–**	**–**	132.38	20.31
Deposits with original maturity equal to 12 months (under lien - ₹ Nil; Previous year : ₹ 0.02 crore)	**0.11**	**0.02**	0.02	–
Deposits with original maturity of more than 12 months (under lien - ₹ 45.66 crore; Previous year : ₹ 45.80 crore)	**45.66**	**6.60**	45.80	7.03
Margin money (under lien)	**3.63**	**0.52**	4.88	0.75
Unpaid dividend accounts	**1.91**	**0.28**	1.93	0.30
	51.31	**7.42**	185.01	28.39
Total	**448.65**	**64.83**	1,082.25	166.05

14. OTHER CURRENT FINANCIAL ASSETS

	As at March 31, 2019 ₹ in crore	As at March 31, 2019 USD in million	As at March 31, 2018 ₹ in crore	As at March 31, 2018 USD in million
Other receivables	**20.18**	**2.92**	8.31	1.27
Total	**20.18**	**2.92**	8.31	1.27

15. OTHER CURRENT ASSETS

	As at March 31, 2019 ₹ in crore	As at March 31, 2019 USD in million	As at March 31, 2018 ₹ in crore	As at March 31, 2018 USD in million
Advances to suppliers (Refer note (ii) below)	**33.90**	**4.90**	42.79	6.56
Balances with/receivable from statutory/government authorities	**174.84**	**25.26**	178.16	27.33
Other advances (Refer note (iii) below)	**43.82**	**6.33**	36.68	5.63
Total	**252.56**	**36.49**	257.63	39.52

Note:

(i) The above amounts are net of provisions, if any.

(ii) Advances to suppliers include dues from private companies in which any director is a director or a member ₹ 0.36 crore (Previous year : ₹ 0.42 crore).

(iii) Other advances includes amounts pertaining to related parties ₹ 2.53 crore (Previous year : ₹ 2.20 crore).

16. EQUITY SHARE CAPITAL

	As at March 31, 2019			As at March 31, 2018		
	No. of Shares	Amount ₹ in crore	Amount USD in million	No. of Shares	Amount ₹ in crore	Amount USD in million
Authorised						
Equity shares of ₹ 5/- each	**250,000,000**	**125.00**	**18.06**	250,000,000	125.00	19.27
Issued, Subscribed & Paid up						
Equity shares of ₹ 5/- each fully paid up						
Shares outstanding as at the beginning of the Year	**110,630,453**	**55.32**	**7.99**	110,548,028	55.27	8.48
Add: Shares issued during the year pursuant to ESOS	**55,750**	**0.02**	**–**	82,425	0.05	0.01
Shares outstanding as at the end of the year	**110,686,203**	**55.34**	**7.99**	110,630,453	55.32	8.49

(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**

Equity shares of 599,300 (Previous year : 747,000) of face value ₹ 5 each have been reserved for issue under Wockhardt Stock Option Scheme - 2011.

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

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Themisto Trustee Company Private Limited which holds these shares in its capacity as the trustee of Habil Khorakhiwala Trust which inturn holds these shares in its capacity as the partner of the partnership firm Humuza Consultants.	**60,497,757***	**54.66**	60,497,757	54.68

* of the above 1,250,000 Equity Shares have been pledged during the year

17. NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at March 31, 2019 ₹ in crore	As at March 31, 2019 USD in million	As at March 31, 2018 ₹ in crore	As at March 31, 2018 USD in million
Secured				
Term Loans:				
from banks/financial institutions (Refer Note I to IV below)	**1,653.25**	**238.88**	2,167.84	332.59
	1,653.25	**238.88**	2,167.84	332.59
Unsecured				
Deferred payment liabilities				
Sales tax deferral loan (Refer note V below)	**–**	**–**	0.01	–
Loans from Others (Refer note VI below)	**4.27**	**0.62**	5.26	0.81
Preference share (Refer note IX below)	**233.95**	**33.80**	–	–
	238.22	**34.42**	5.27	0.81
Total	**1,891.47**	**273.30**	2,173.11	333.40

Notes:

(I) The term loan of USD 60.00 million (Previous year : USD 80.00 million) amounting to ₹ 415.25 crore (Previous year : ₹ 521.44 crore) is secured by first charge on pari passu basis on fixed assets of the Company, present and future, located at all locations other than Units at Baddi in Himachal Pradesh and Kadaiya in Daman. This term loan carries interest rate of 6 months USD LIBOR plus 325 BPS p.a. and is repayable in 12 equal quarterly instalments by January 2022.

The term loan of ₹ 175.00 crore (Previous year : ₹ 225.00 crore) from IDBI Bank is secured by first charge on pari passu basis on fixed assets of the Company, present and future, located at all locations other than Units at Baddi in Himachal Pradesh and Kadaiya in Daman. This term loan carries interest rate at Bank Base Rate plus 75 BPS p.a. and is repayable in 7 equal half yearly instalments by June 2022.

The term loan of ₹ 187.50 Crore (Previous year : ₹ 237.50 crore) from Bank of Maharashtra ('BOM') is secured by first charge on pari passu basis on fixed assets of the Company, present and future, located at all locations other than Units at Baddi in Himachal Pradesh and Kadaiya in Daman. This term loan carries interest rate at One Year's MCLR plus 185 BPS p.a and is repayable in 15 equal quarterly instalments by December 2022.

Further, the term loan of ₹ 200 Crore (Previous year : Nil) from Bank of Baroda ('BOB') is secured by first charge on pari passu basis on fixed assets of the Company, present and future, located at all locations other than Units at Baddi in Himachal Pradesh and Kadaiya in Daman. This term loan carries interest rate at One Year's MCLR plus 110 BPS and is repayable in 20 equal quarterly instalments by March 2024

(II) Term loan availed by Wockhardt France (Holdings) S.A.S. of Euro 27.28 million (Previous year : Euro 40.92 million) amounting to ₹ 211.83 crore (Previous year : ₹ 328.58 crore) is secured by pledge of shares of Negma Group of companies. The loan carries interest of 6 months EURO LIBOR plus 175 BPS p.a. and is repayable in 4 half yearly instalments by November 2020.

(III) Term loan availed by Wockpharma Ireland Limited has been fully repaid during the year and the release of security given is in process.

(IV) Term Loan availed by Wockhardt Bio AG of USD 187.50 million (Previous year : USD 250 million) amounting to ₹ 1297.64 crore (Previous year : ₹ 1629.50 crore) is secured as under:

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

(ii) first ranking charge on fixed assets of Wockhardt Limited situated at Kadaiya in Daman and Baddi in Himachal Pradesh & on Fixed Deposits of ₹ 45 crore in India.

(iii) this term loan is also secured by Corporate Guarantee of USD 300 million from Wockhardt Limited.

This term loan carrying interest rate of 6 months USD LIBOR plus 275 BPS p.a. is repayable in 6 equal half yearly installments by December 2021.

(V) Interest free sales tax deferral loan is repayable in the month of May every year. This loan is repayable by May 2019.

(VI) Loans from others with interest rate of 3% p.a. is repayable in 10 equal annual installments. Loan amounting ₹ 0.19 crore (Previous year : ₹ 0.38 crore) is repayable by June 2019, ₹ 1.27 crore (Previous year : ₹ 1.70 crore) by October 2021 and balance ₹ 3.80 crore (Previous year : ₹ 3.80 crore) is repayable commencing from March 2020.

(VII) Refer Note 10 to Note 14 for carrying amount of current assets on which charge has been created.

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

(IX) **Preference Share**

(a) **Details of Preference Share**

	As at March 31, 2019			As at March 31, 2018		
	No. of Shares	Amount ₹ in crore	Amount USD in million	No. of Shares	Amount ₹ in crore	Amount USD in million
Authorised						
Preference shares of ₹ 5/- each	**2,000,000,000**	**1,000.00**	**144.49**	2,000,000,000	1,000.00	153.42
Issued, Subscribed & Paid up						
Optionally Convertible Cumulative Redeemable Preference shares (OCCRPS) of ₹ 5/- each fully paid up :						
Shares outstanding as at the beginning of the year	**121,454,927**	**60.72**	**8.77**	121,454,927	60.72	9.32
Add: Shares issued during the year	**–**	**–**	**–**	–	–	–
Less: Shares redeemed during the year	**(121,454,927)**	**(60.72)**	**(8.77)**	–	–	–
Shares outstanding as at the end of the year	**–**	**–**	**–**	121,454,927	60.72	9.32
Non Convertible Cumulative Redeemable Preference shares (NCRPS) of ₹ 5/- each fully paid up:						
Shares outstanding as at the beginning of the year	**475,659,941**	**237.83**	**34.36**	475,659,941	237.83	36.49
Add: Shares issued during the year	**–**	**–**	**–**	–	–	–
Less: Shares redeemed during the year	**(315,659,941)**	**(157.83)**	**(22.81)**	–	–	–
Shares outstanding as at the end of the year (excluding redemption premium ₹ 16.00 crore)	**160,000,000**	**80.00**	**11.55**	475,659,941	237.83	36.49
Non-Convertible Non-Cumulative Redeemable Preference shares (NCCRPS) of ₹ 5/- each fully paid up:						
Shares outstanding as at the beginning of the year	**–**	**–**	**–**	–	–	–
Add: Shares issued during the Year	**500,000,000**	**250.00**	**36.12**	–	–	–
Less: Shares redeemed during the year	**–**	**–**	**–**	–	–	–
Shares outstanding as at the end of the year	**500,000,000**	**250.00**	**36.12**	–	–	–

(i) During the year, the Company has 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 Promotor Group for an aggregate amount of ₹ 250 crore in accordance with the approval of the Shareholders of the Company obtained on December 14, 2018. These shares are redeemable at par on December 20, 2020, with an option of early redemption given to the Company after the expiry of 6 months from the allotment date.

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

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

(iii) Also during the year, the Company has extended the redemption period of 160,000,000, 0.01% Non-Convertible Cumulative Redeemable Preference Shares (NCRPS Series 5) held by the Promoter Group which were due for redemption on March 31, 2019 by a year i.e. upto March 31, 2020 with a right to earlier redemption by giving 1 month notice by either parties post June 30, 2019. Premium at 4% p.a. shall be payable for the extended period upto the date of redemption.

(iv) The Company has paid dividend of 0.01% (at the rate of ₹ 0.0005 per share of ₹ 5/- each) amounting to ₹ 218,556 on the preference shares redeemed during the year. Further subject to the approval of the Shareholders in the Annual General meeting, the Board also recommends dividend of:

- 0.01% (at the rate of ₹ 0.0005 per share of ₹ 5/- each) on the balance 160,000,000 Non-convertible Cumulative Redeemable Preference shares of ₹ 5/- each amounting to ₹ 80,000.
- 4% (at the rate of ₹ 0.055 per share of ₹ 5/- each) on the 500,000,000 Non-convertible Non -Cumulative Redeemable Preference shares (""NCCRPS') of ₹ 5/- each amounting to ₹ 27,397,260 for a period commencing date of allotment till March 31, 2019.

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

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Khorakiwala Holdings and Investments Private Limited	**160,000,000**	**100.00**	203,233,260	42.73
Indian Overseas Bank	**–**	**–**	104,563,437	21.98
Union Bank of India	**–**	**–**	74,397,151	15.64
Corporation Bank	**–**	**–**	50,929,498	10.71
Punjab National Bank	**–**	**–**	29,778,521	6.26

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

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Khorakiwala Holdings and Investments Private Limited	100,000,000	20.00	–	–
Themisto Trustee Company Private Limited which holds these shares in its capacity as the trustee of Habil Khorakhiwala Trust which inturn holds these shares in its capacity as the partner of the partnership firm Humuza Consultants.	400,000,000	80.00	–	–

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

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Indian Overseas Bank	–	–	39,888,348	32.84
Union Bank of India	–	–	31,884,492	26.25
Corporation Bank	–	–	21,826,928	17.97
Khorakiwala Holdings and Investments Private Limited	–	–	18,528,540	15.26
Punjab National Bank	–	–	9,326,619	7.68

18. PROVISIONS (NON-CURRENT)

	As at March 31, 2019 ₹ in crore	As at March 31, 2019 USD in million	As at March 31, 2018 ₹ in crore	As at March 31, 2018 USD in million
Provision for employee benefits (Refer note 33)				
Leave encashment (unfunded)	17.35	2.51	29.58	4.54
Gratuity (unfunded)	26.91	3.89	23.54	3.61
Provision for pension/other benefits	9.22	1.33	11.77	1.81
Total	53.48	7.73	64.89	9.96

19. CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at March 31, 2019 ₹ in crore	As at March 31, 2019 USD in million	As at March 31, 2018 ₹ in crore	As at March 31, 2018 USD in million
SECURED				
Loans repayable on demand				
Working capital facilities from banks (Refer Note I below)	542.27	78.35	378.34	58.05
Other Loans				
Buyers' credit (Refer Note II below)	19.44	2.81	58.75	9.01
Total	561.71	81.16	437.09	67.06

Notes:

(I) Working capital facilities availed by the Company from banks are secured by way of :

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

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

II) Buyers' credit/ Supplier's Credit availed from ICICI Bank, and Bank of Baroda in current year (IDBI Bank and Yes Bank in previous year) are secured by way of first pari passu charge on the entire current assets and second pari passu charge on all fixed assets located at all locations other than Units at Baddi in Himachal Pradesh and Kadaiya in Daman. Further Buyers' credit availed from SBI during previous year were secured by way of first charge on the specific assets and by way of second charge on the entire current assets and second subservient charges on all fixed assets, present and future, located at all locations other than Units at Baddi in Himachal Pradesh and Kadaiya in Daman.

III) Refer Note 11 to Note 14 for carrying amount of current financial assets on which change has been created.

20. CURRENT FINANCIAL LIABILITIES – TRADE PAYABLES

	As at March 31, 2019 ₹ in crore	As at March 31, 2019 USD in million	As at March 31, 2018 ₹ in crore	As at March 31, 2018 USD in million
Trade payables				
Outstanding dues of Micro enterprises and Small enterprises	**78.84**	**11.39**	19.73	3.03
Other Trade payables	**761.40**	**110.02**	582.05	89.30
Total	**840.24**	**121.41**	601.78	92.33
Note:				
DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS PER MSMED ACT, 2006:				
(a) Principal amount due to suppliers under MSMED Act, 2006	**78.84**	**11.39**	19.73	3.03
(b) Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	**3.80**	**0.55**	0.27	0.04
(c) Payment made to suppliers (other than interest) beyond the appointed day during the year	**102.19**	**14.77**	81.51	12.51
(d) Interest paid to suppliers under MSMED Act (Section 16)	**–**	**–**	–	–
(e) Interest due and payable towards suppliers under MSMED Act for payments already made	**9.84**	**1.42**	7.07	1.08
(f) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (including interest mentioned in (e) above)	**13.64**	**1.97**	7.34	1.13

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

21. CURRENT - OTHER FINANCIAL LIABILITIES

	As at March 31, 2019 ₹ in crore	As at March 31, 2019 USD in million	As at March 31, 2018 ₹ in crore	As at March 31, 2018 USD in million
Current maturities of long-term debt (Refer note 17)	**921.42**	**133.14**	1,137.62	174.54
Unpaid dividends	**1.91**	**0.28**	1.93	0.30
Security Deposit	**19.68**	**2.84**	18.36	2.82
Employee liabilities	**88.32**	**12.76**	79.51	12.20
Payable for capital goods	**26.58**	**3.84**	29.11	4.47
Others	**272.94**	**39.44**	220.61	33.84
Total	**1,330.85**	**192.30**	1,487.14	228.17

22. OTHER CURRENT LIABILITIES

	As at March 31, 2019 ₹ in crore	As at March 31, 2019 USD in million	As at March 31, 2018 ₹ in crore	As at March 31, 2018 USD in million
Payable for Statutory dues	**49.12**	**7.10**	51.21	7.86
Advance received from Customers	**20.41**	**2.95**	9.78	1.50
Total	**69.53**	**10.05**	60.99	9.36

23. CURRENT PROVISIONS

	As at March 31, 2019 ₹ in crore	As at March 31, 2019 USD in million	As at March 31, 2018 ₹ in crore	As at March 31, 2018 USD in million
Provision for employee benefits				
Leave Encashment (unfunded)	**8.03**	**1.16**	14.84	2.28
Gratuity (unfunded)/Pension and other benefits (Refer note 33)	**17.23**	**2.49**	13.78	2.12
	25.26	**3.65**	28.62	4.40
Other provisions				
Provision for sales return on date expiry [Refer note below]	**16.67**	**2.42**	15.96	2.45
Total	**41.93**	**6.07**	44.58	6.85
Note:				
Movement of provision for sales return on date expiry:				
Opening Balance	**15.96**	**2.31**	14.82	2.27
Recognised during the year	**18.45**	**2.67**	20.68	3.18
Utilised during the year	**(17.74)**	**(2.56)**	(19.54)	(3.00)
Closing Balance	**16.67**	**2.42**	15.96	2.45

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

24. REVENUE FROM OPERATIONS

	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2019 USD in million	For the year ended March 31, 2018 ₹ in crore	For the year ended March 31, 2018 USD in million
Sale of products (including excise duty)	**4,100.91**	**592.56**	3,919.70	601.37
Sale of services	**0.08**	**0.01**	0.47	0.07
Sale of intellectual property	**38.95**	**5.63**	–	–
Other operating income - Export incentives	**18.44**	**2.66**	16.73	2.57
Total	**4,158.38**	**600.86**	3,936.90	604.01

25. OTHER INCOME

	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2019 USD in million	For the year ended March 31, 2018 ₹ in crore	For the year ended March 31, 2018 USD in million
Profit/(Loss) on sale of Investment including Mark to market on current investment	**–**	**–**	67.79	10.40
Interest Income	**17.54**	**2.53**	29.31	4.50
Other non-operating income (Refer note below)	**3.48**	**0.50**	23.13	3.55
Total	**21.02**	**3.03**	120.23	18.45

Note:
Other non-operating income includes : Liabilities no more payable of ₹ 1.06 crore (Previous year : ₹ 9.46 crore)

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

	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2019 USD in million	For the year ended March 31, 2018 ₹ in crore	For the year ended March 31, 2018 USD in million
Opening Inventories				
Finished goods	**279.20**	**40.34**	450.87	69.17
Stock in trade	**148.06**	**21.39**	151.42	23.23
Work-in-progress	**69.29**	**10.01**	77.14	11.83
Less: Excise duty on opening stock	**–**	**–**	(4.35)	(0.67)
	496.55	**71.74**	675.08	103.56
Closing Inventories				
Finished goods	**(255.17)**	**(36.87)**	(279.20)	(42.84)
Stock in trade	**(149.12)**	**(21.55)**	(148.06)	(22.71)
Work-in-progress	**(50.90)**	**(7.35)**	(69.29)	(10.63)
Less: Excise duty on closing stock	**–**	**–**	–	–
	(455.19)	**(65.77)**	(496.55)	(76.18)
	41.36	**5.97**	178.53	27.38

27. EMPLOYEE BENEFITS EXPENSE

	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2019 USD in million	For the year ended March 31, 2018 ₹ in crore	For the year ended March 31, 2018 USD in million
Salaries and wages (Refer Note 33)	**819.54**	**118.42**	778.41	119.42
Contribution to provident and other funds (Refer Note 33)	**77.40**	**11.18**	69.50	10.66
Share based payments to employees (Refer Note 41)	**1.58**	**0.23**	6.60	1.01
Staff welfare expenses	**38.38**	**5.55**	82.55	12.66
Total	**936.90**	**135.38**	937.06	143.75

28. FINANCE COSTS

	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2019 USD in million	For the year ended March 31, 2018 ₹ in crore	For the year ended March 31, 2018 USD in million
Interest expense				
on term loans	**196.96**	**28.46**	180.47	27.69
others	**95.30**	**13.77**	90.54	13.89
	292.26	**42.23**	271.01	41.58
Other borrowing costs	**4.01**	**0.58**	2.42	0.37
Net Loss on foreign currency transactions and translation	**0.79**	**0.11**	5.72	0.88
	297.06	**42.92**	279.15	42.83
Less: Borrowing cost capitalised*	**(32.17)**	**(4.64)**	(23.66)	(3.62)
* weighted average capitalisation rate - 5.27% (Previous year : 6.86%)				
Total	**264.89**	**38.28**	255.49	39.21

29. OTHER EXPENSES

	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2019 USD in million	For the year ended March 31, 2018 ₹ in crore	For the year ended March 31, 2018 USD in million
Travelling and conveyance	**93.35**	**13.49**	101.66	15.60
Freight and forwarding charges	**97.20**	**14.04**	90.20	13.84
Sales promotion and other selling cost	**95.02**	**13.73**	76.72	11.77
Commission on sales	**46.76**	**6.76**	41.97	6.44
Power and fuel	**95.27**	**13.77**	77.80	11.94
Stores and spare parts consumed	**47.56**	**6.87**	46.94	7.20
Chemicals	**23.86**	**3.45**	13.76	2.11
Rent (Refer Note 31)	**92.38**	**13.35**	86.54	13.28
Rates and taxes	**12.86**	**1.86**	16.96	2.60
Repairs and maintenance				
– to Buildings	**12.07**	**1.74**	7.95	1.22
– to Plant and machinery	**31.80**	**4.59**	28.05	4.30
– to Others	**37.79**	**5.46**	33.11	5.08
Insurance	**24.39**	**3.52**	22.34	3.43
Legal and Professional charges	**199.11**	**28.77**	246.91	37.88
Directors' sitting fees (Refer Note 39)	**0.86**	**0.12**	0.83	0.13
Material for test batches	**3.50**	**0.51**	5.46	0.84
Miscellaneous expenses (Refer Note 44 and 45)	**358.12**	**51.75**	360.54	55.31
Total	**1,271.90**	**183.78**	1,257.74	192.97

30. (a) EXPENDITURE ON RESEARCH AND DEVELOPMENT

	For the year ended March 31, 2019		For the year ended March 31, 2018	
	₹ in crore	USD in million	₹ in crore	USD in million
Capital*	**156.42**	**22.60**	156.11	23.95
Revenue	**290.86**	**42.03**	287.20	44.06
	447.28	**64.63**	443.31	68.01

* Including Intangible Assets under Development

(b) Cost of materials consumed includes excise duty ₹ Nil (Previous Year : ₹ 12.44 crore)

31. LEASES

(a) **Operating Lease**

(i) The Group has taken certain office premises, motor vehicles and plant and machinery on operating lease, in most cases renewable by mutual consent on mutually agreeable terms. There are no restrictions imposed by lease arrangements or any contingent rent payable. There are no subleases.

Annual commitments for lease payments under non-cancellable operating leases for certain office premises, motor vehicles and plant and machinery:

	For the year ended March 31, 2019		For the year ended March 31, 2018	
	₹ in crore	USD in million	₹ in crore	USD in million
Less than 1 year	**75.89**	**10.97**	71.71	11.01
More than 1 year but less than 5 years	**14.77**	**2.13**	81.31	12.47
More than 5 years	**10.73**	**1.55**	–	–
	101.39	**14.65**	153.02	23.48

(ii) The Company has taken land and industrial buildings on operating lease. Land and industrial buildings taken on lease are for a period of 10 to 30 years and are renewable by mutual consent on mutually agreeable terms. There are no escalation in the lease amounts. There are no restrictions imposed by lease arrangements or contingent rent payable. Certain portion of the land has been subleased.

(b) **Finance lease:**

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

32. 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:

	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2019 USD in million	For the year ended March 31, 2018 ₹ in crore	For the year ended March 31, 2018 USD in million
Reconciliation of earnings				
Profit/(loss) attributable to equity holders of the Company	**(194.53)**	**(28.11)**	(608.30)	(93.31)
Add: Cumulative Dividend (including taxes on dividend) paid on preference shares pertaining to previous year	**0.04**	**0.01**	0.04	0.01
Less: Cumulative Dividend (including taxes on dividend, if any) payable on preference shares for current year	**(0.01)**	**(0.01)**	(0.04)	(0.01)
Net Profit/(loss) for calculation of basic/diluted EPS	**(194.50)**	**(28.11)**	(608.30)	(93.31)
Reconciliation of number of equity shares	**No. of Shares**		**No. of Shares**	
Weighted average number of shares in calculating Basic EPS	**110,663,343**		110,575,864	
Add:				
Weighted average number of shares under ESOS	**575,699**		762,216	
Weighted average number of shares under Optionally Convertible Cumulative Redeemable Preference shares (OCCRPS)	**–**		546,097	
Weighted average number of equity shares in calculating diluted EPS	**111,239,042**		111,884,177	
Earnings per share (face value of ₹ 5/- each)				
Earnings per share - Basic in ₹/USD	**(17.58)**	**(0.25)**	(55.01)	(0.84)
Earnings per share - Diluted in ₹/USD	**(17.58)**	**(0.25)**	(55.01)	(0.84)

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

33. EMPLOYEE BENEFITS

(I) Disclosure in respect of Wockhardt Limited

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

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

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

(A) Defined benefit plans –

			For the year ended March 31, 2019 Gratuity (Non-funded) ₹ in crore	For the year ended March 31, 2018 Gratuity (Non-funded) ₹ in crore
I.	**Expenses recognised in Profit or Loss:**			
	1.	Current Service Cost	**3.29**	3.29
	2.	Interest cost	**2.47**	2.08
	3.	Past Service Cost	**–**	1.77
		Total Expenses	**5.76**	7.14
II.	**Expenses recognised in Other Comprehensive Income:**			
	1.	Actuarial changes arising from changes in demographic assumptions	**–**	–
	2.	Actuarial changes arising from changes in financial assumptions	**0.39**	(0.42)
	3.	Actuarial changes arising from changes in experience adjustments	**1.47**	0.14
		Total Expenses	**1.86**	(0.28)
III.	**Net Asset/(Liability) recognised as at Balance Sheet date:**			
	1.	Present value of defined benefit obligation	**37.62**	34.38
	2.	Net Asset /(Liability)	**(37.62)**	(34.38)

		For the year ended March 31, 2019 Gratuity (Non-funded) ₹ in crore	For the year ended March 31, 2018 Gratuity (Non-funded) ₹ in crore
IV.	**Reconciliation of Net Asset/(Liability) recognised as at Balance Sheet date:**		
	1. Net Asset /(Liability) at the beginning of year	**(34.38)**	(31.19)
	2. Expense as per (I) & (II) above	**(7.62)**	(6.86)
	3. Benefit paid	**4.38**	3.67
	4. Net asset/(liability) at the end of the year	**(37.62)**	(34.38)
V.	**Maturity profile of defined benefit obligation**		
	1. Within the next 12 months (next annual reporting period)	**10.71**	10.84
	2. Between 2 and 5 years	**22.22**	19.48
	3. Between 6 and 10 years	**9.60**	8.80
	4. Beyond 10 years	**3.16**	2.88
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	**(0.90)**	(0.79)
	(ii) One percent point decrease in discount rate	**0.96**	0.84
	(iii) One percent point increase in rate of salary increase	**0.91**	0.80
	(iv) One percent point decrease in rate of salary increase	**(0.87)**	(0.77)
	(v) One percent point increase in attrition rate	**(0.14)**	(0.12)
	(vi) One percent point decrease in attrition rate	**0.14**	0.12
	2. 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.		
VII.	Expected contributions to the plan for the next annual reporting period.	**10.79**	5.76
VIII.	**Actuarial Assumptions:**		
		As at March 31, 2019	As at March 31, 2018
	1. Discount rate	**6.76%**	7.18%
	2. Expected rate of salary increase	**8.00%**	8.00%
	3. Attrition rate	**26.00%**	26.00%
	4. Mortality	**Indian Assured Lives Mortality (2006-08) Ultimate**	Indian Assured Lives Mortality (2006-08) Ultimate

Notes:

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

Gratuity ₹ 5.76 Crore (Previous year : ₹ 7.14 crore) and Leave encashment ₹ -7.13 crore (Previous year : ₹ 21.35 crore)

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

(c) The plan above is typically exposed to actuarial risk such as interest risk, mortality risk, Asset Liability Matching risk (ALM) and salary risk

(i) Interest risk: The decrease in the bond interest rate will increase the liability.

(ii) Mortality risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

(iii) ALM risk: The plan faces the ALM risk as to the matching cash flow. The Company has to manage payout based on the pay as you go basis from own funds.

(iv) 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" ₹ 22.06 crore (Previous year : ₹ 23.00 crore).

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

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

During the year, the Group operated a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to ₹ 13.28 crore (Previous year : ₹ 8.79 crore). The outstanding pensions creditor is ₹ 1.21 crore (Previous year : ₹ 1.14 crore).

Defined benefit plans of CP Pharmaceuticals Limited:

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

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

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

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

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

	As at March 31, 2019 ₹ in crore	As at March 31, 2018 ₹ in crore
Present value of defined benefit obligations	(380.72)	(365.24)
Fair value of plan assets	373.03	355.09
	(7.69)	(10.15)

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

	As at March 31, 2019 ₹ in crore	As at March 31, 2018 ₹ in crore
Defined benefit obligation, beginning of the year	365.24	349.28
Interest expense	9.44	9.36
Benefits paid	(7.93)	(10.79)
Remeasurements: Actuarial gains and losses	15.54	(28.68)
Past service costs including curtailments	3.83	–
Foreign currency translation	(5.40)	46.07
Defined benefit obligation, end of the year	380.72	365.24

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

	As at March 31, 2019 ₹ in crore	As at March 31, 2018 ₹ in crore
Fair value of plan assets, beginning of the year	355.09	300.33
Interest income	9.33	8.20
Benefits paid	(7.93)	(10.79)
Contributions by employer	15.12	13.77
Remeasurements: Actuarial gains and losses	6.83	3.21
Foreign currency translation	(5.41)	40.37
Fair value of plan assets, end of the year	373.03	355.09

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

	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2018 ₹ in crore
Recognised in profit or loss:		
Net interest expense	0.11	1.16
	0.11	1.16
Recognised in other comprehensive income:		
Remeasurement of the net defined benefit plan	8.71	(31.89)
	8.71	(31.89)

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

	As at March 31, 2019 %	As at March 31, 2018 %
Equity instruments	**49.40**	46.00
Debt instruments	**9.80**	12.70
Annuity policy	**22.50**	24.30
Other assets	**18.30**	17.00

The return on plan assets are as follows:

	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2018 ₹ in crore
Interest income	**9.33**	8.20
Remeasurements: Actuarial gains and losses	**6.83**	3.21
Return on assets of benefit plan	**16.16**	11.41

The principal actuarial assumptions as at Balance Sheet date were:

	As at March 31, 2019 %	As at March 31, 2018 %
Discount rate	**2.40**	2.60
Expected rate of increase in salary	**3.25**	3.10
Inflation rate	**2.25**	2.15
Mortality rates		
Current pensioners at 65 - male	**21.40**	22.00
Current pensioners at 65 - female	**23.70**	24.00
Future pensioners at 65 - male	**22.40**	23.00
Future pensioners at 65 - female	**24.90**	25.20

Quantitative sensitivity analysis for significant assumptions is as below:

	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2018 ₹ in crore
(Increase)/decrease on net defined benefit obligation at the end of the year		
(i) One percent point increase in discount rate	**60.70**	59.06
(ii) One percent point decrease in discount rate	**(81.34)**	(81.70)
(iii) One percent point increase in inflation rate	**(72.08)**	(73.58)
(iv) One percent point decrease in inflation rate	**56.50**	53.94

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.

34. SEGMENT INFORMATION

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

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

Information about reportable segments:

	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2019 USD in million	For the year ended March 31, 2018 ₹ in crore	For the year ended March 31, 2018 USD in million
External revenue in the above reportable business segment	**4,158.38**	**600.86**	3,936.90	604.01

Information about geographical areas:

(a) Revenue from external customers:

	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2019 USD in million	For the year ended March 31, 2018 ₹ in crore	For the year ended March 31, 2018 USD in million
India	**1,514.13**	**218.78**	1,509.59	231.61
USA	**794.31**	**114.77**	661.00	101.41
Europe	**1,310.53**	**189.36**	1,329.06	203.91
Rest of the world and CIS	**539.41**	**77.95**	437.25	67.08
Total	**4,158.38**	**600.86**	3,936.90	604.01

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

	As at March 31, 2019 ₹ in crore	As at March 31, 2019 USD in million	As at March 31, 2018 ₹ in crore	As at March 31, 2018 USD in million
India	**2,315.72**	**334.61**	2,405.72	369.09
USA	**394.54**	**57.01**	368.61	56.55
Europe	**1,662.50**	**240.22**	1,472.90	225.97
Rest of the world and CIS	**231.52**	**33.44**	171.17	26.26
Total	**4,604.28**	**665.28**	4,418.40	677.87

(c) Information about major customer:

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

35. FINANCIAL INSTRUMENTS – FAIR VALUES

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

A. Accounting classifications and fair values

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

As at March 31, 2019	Carrying Value				Total Fair Value
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised Cost	Total	
Financial Assets					
Non Current Investments	**0.45**	–	–	**0.45**	**0.45**
Other Non-Current Financial Assets	–	–	**38.58**	**38.58**	**40.77**
Current Investments	–	–	–	–	–
Trade receivables	–	–	**1,260.69**	**1,260.69**	**1,260.69**
Cash and cash equivalents	–	–	**397.34**	**397.34**	**397.34**
Bank balance (other than Cash and cash equivalents)	–	–	**51.31**	**51.31**	**51.31**
Other Current Financial Asset	–	–	**20.18**	**20.18**	**20.18**
Total	**0.45**	–	**1,768.10**	**1,768.55**	**1,770.74**
Financial Liabilities					
Borrowings	–	–	**2,453.18**	**2,453.18**	**2,453.18**
Trade payables	–	–	**840.24**	**840.24**	**840.24**
Other financial liabilities	–	–	**1,330.85**	**1,330.85**	**1,330.85**
Total	–	–	**4,624.27**	**4,624.27**	**4,624.27**

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

As at March 31, 2018	Carrying Value				Total Fair Value
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised Cost	Total	
Financial Assets					
Non Current Investments	0.45	–	–	0.45	0.45
Other Non-Current Financial Assets	–	–	48.23	48.23	56.45
Current Investments	213.25	–	–	213.25	213.25
Trade receivables	–	–	962.45	962.45	962.45
Cash and cash equivalents	–	–	897.24	897.24	897.24
Bank balance (other than Cash and cash equivalents)	–	–	185.01	185.01	185.01
Other Current Financial Asset	–	–	8.31	8.31	8.31
Total	**213.70**	**–**	**2,101.24**	**2,314.94**	**2,323.16**
Financial Liabilities					
Borrowings	–	–	2,610.20	2,610.20	2,610.20
Trade payables	–	–	601.78	601.78	601.78
Other financial liabilities	–	–	1,487.14	1,487.14	1,487.14
Total	**–**	**–**	**4,699.12**	**4,699.12**	**4,699.12**

As at March 31, 2018	Fair Value			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial Assets				
Non Current Investments	–	–	0.45	0.45
Other Non-Current Financial Assets	–	56.45	–	56.45
Current Investments	213.25	–	–	213.25
Total	**213.25**	**56.45**	**0.45**	**270.15**
Financial Liabilities				
Borrowings	–	2,610.20	–	2,610.20
Total	**–**	**2,610.20**	**–**	**2,610.20**

Measurement of fair values:

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

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

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

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

Financial instruments measured at fair value

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

36. FINANCIAL RISK MANAGEMENT

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

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

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

Risk management framework

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

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

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

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

The Company has 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, 2019 and March 31, 2018, the Group did not have any significant concentration of credit risk with any external customers.

Expected credit loss assessment for customers as at March 31, 2019 and March 31, 2018:

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 ageing of net trade receivable as at March 31, 2019 and March 31, 2018 is given below:

	As at March 31, 2019		As at March 31, 2018	
	Net carrying amount	Weighted average loss rate	Net carrying amount	Weighted average loss rate
Not due not impaired	**1,031.64**	**4.30%**	669.18	1.46%
Past due 1-180 days	**184.60**	**4.05%**	265.73	5.77%
Past due 181-360 days	**32.52**	**8.73%**	17.57	40.26%
More than 360 days	**11.93**	**88.64%**	9.97	92.02%
	1,260.69		962.45	

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

	As at March 31, 2019	As at March 31, 2018
Opening Balance	**153.02**	154.66
Impairment loss recognised/(reversed) (including exchange fluctuation)	**(2.51)**	2.39
Bad debts	**(0.25)**	(4.03)
Closing Balance	**150.26**	153.02

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

Cash and bank balances

The Group held cash and bank balances of ₹ 448.65 crore (Previous year : ₹ 1,082.25 crore). The cash and bank balances are held with bank and financial institution counterparties with good credit rating.

Others

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

II. Liquidity risk

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

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

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

		Contractual cash flows			
As at March 31, 2019	**Carrying amount**	**Total**	**0-12 months**	**1-5 years**	**More than 5 years**
Non-derivative financial liabilities					
Term loans from banks/Financial Institutions (including interest)	**2,477.53**	**2,789.35**	**967.80**	**1,821.55**	**–**
Other borrowings (excluding preference shares)	**24.85**	**25.54**	**20.54**	**2.93**	**2.07**
Preference shares	**329.95**	**373.85**	**103.10**	**270.75**	**–**
Working capital loans from banks (repayable on demand)	**542.27**	**542.27**	**542.27**	**–**	**–**
Trade payables and Other Current Financial Liabilities	**1,249.67**	**1,249.67**	**1,249.67**	**–**	**–**
	4,624.27	**4,980.68**	**2,883.38**	**2,095.23**	**2.07**

		Contractual cash flows			
As at March 31, 2018	Carrying amount	Total	0-12 months	1- 5 years	More than 5 years
Non-derivative financial liabilities					
Term loans from banks/Financial Institutions (including interest)	2,964.11	3,309.08	924.83	2,384.25	–
Other borrowings (excluding preference shares)	64.91	65.76	59.66	3.03	3.07
Preference shares	340.46	367.06	367.06	–	–
Working capital loans from banks (repayable on demand)	378.34	378.34	378.34	–	–
Trade payables and Other Current Financial Liabilities	951.30	951.30	951.30	–	–
	4,699.12	**5,071.54**	**2,681.19**	**2,387.28**	**3.07**

III. Market risk

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

(a) Currency risk:

The Group is exposed to currency risk on account of its operations in other countries. Exposure to currency risk is in respect of commercial transactions, assets and liabilities in each entity denominated in a currency other than its functional currency. 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 Group's exposure to foreign currency risk for financial assets and financial liabilities (including intercompany receivables and payables) as at March 31, 2019 and March 31, 2018 are as below:

	Currency	As at March 31, 2019		As at March 31, 2018	
		Amount in Foreign Currency (in million)	**₹ in crore**	Amount in Foreign Currency (in million)	₹ in crore
Loan Availed	EUR	**0.35**	**2.73**	2.21	17.79
	USD	**63.32**	**438.24**	87.29	568.99
Trade Receivables	EUR	**7.04**	**54.63**	3.02	24.28
	GBP	**57.77**	**521.12**	52.67	482.14
	USD	**98.64**	**682.69**	86.32	562.64
	RUB	**273.34**	**29.27**	548.42	62.25
	MXN	**64.74**	**23.22**	101.63	36.42
	AUD	**–**	**–**	3.47	17.41
Loans and Other Receivables	EUR	**2.94**	**22.85**	15.44	123.99
	USD	**6.53**	**45.23**	4.15	27.07
	CHF	**0.08**	**0.57**	0.55	3.75
	GBP	**0.33**	**3.01**	0.02	0.14
	AED	**0.74**	**1.40**	0.28	0.50
	MXN	**–**	**–**	9.41	3.37
Trade payables and Other Liabilities	EUR	**11.16**	**86.67**	3.05	24.49
	GBP	**22.07**	**199.06**	2.47	22.58
	MXN	**13.25**	**4.75**	23.57	8.45
	USD	**16.51**	**114.26**	14.10	91.89
	JPY	**2.45**	**0.15**	15.29	0.94
	AED	**2.33**	**4.40**	4.35	7.70
	RUB	**7.57**	**0.81**	166.27	18.87
Investment	CHF	**–**	**–**	2.43	16.58
	EUR	**–**	**–**	0.02	0.18
Bank	GBP	**7.11**	**64.09**	10.75	98.39
	EUR	**0.52**	**4.06**	1.92	15.39
	USD	**1.19**	**8.23**	1.13	7.37
	AED	**0.28**	**0.53**	–	–
	AUD	**0.51**	**2.48**	1.13	7.37

Sensitivity analysis

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

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

Effect in ₹	Profit or loss before tax Gain/(Loss)		Equity, gross of tax Increase/(Decrease)	
March 31, 2018	Strengthening ₹ in crore	Weakening ₹ in crore	Strengthening ₹ in crore	Weakening ₹ in crore
5% movement				
USD	25.26	(25.26)	6.84	(6.84)
GBP	27.90	(27.90)	27.90	(27.90)
EUR	6.08	(6.08)	6.08	(6.08)
RUB	2.17	(2.17)	2.17	(2.17)
MXN	1.57	(1.57)	1.57	(1.57)
	62.98	**(62.98)**	**44.56**	**(44.56)**

(b) ***Interest rate risk***

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

Exposure to interest rate risk

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

	Nominal amount	
	As at March 31, 2019	As at March 31, 2018
Variable-rate instruments		
Financial liabilities	**3,019.79**	3,342.46
	3,019.79	3,342.46
Fixed-rate instruments		
Financial liabilities	**354.81**	405.36
	354.81	405.36

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)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
100 bp increase	**(30.20)**	(33.42)
100 bp decrease	**30.20**	33.42

IV. Off-setting or similar agreements

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at March 31, 2019 and March 31, 2018.

March 31, 2019	Effects of offsetting on the Balance Sheet			Amounts subject to master netting		
	Gross Amounts	**Gross amounts set off in the balance sheet**	**Net amounts presented in the balance sheet**	**Related amounts not offset**	**Financial Instrument Collateral**	**Net amount**
Financial liabilities						
Borrowings	–	–	–	**1,297.64**	**45.00**	**1,252.64**

March 31, 2018	Effects of offsetting on the Balance Sheet			Amounts subject to master netting		
	Gross Amounts	Gross amounts set off in the Balance Sheet	Net amounts presented in the Balance Sheet	Related amounts not offset	Financial Instrument Collateral	Net amount
Financial liabilities						
Borrowings	–	–	–	1,629.50	45.00	1,584.50

(a) ***Offsetting arrangements***

Borrowings

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

37. CAPITAL MANAGEMENT

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

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

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

The following table summarises the capital of the Group:

	As at March 31, 2019 ₹ in crore	As at March 31, 2018 ₹ in crore
Total Borrowings	**3,374.60**	3,747.82
Less : Cash and cash equivalents, Bank balance and Current investment	**448.65**	1,295.50
Adjusted net debt	**2,925.95**	2,452.32
Adjusted equity	**3,004.63**	3,197.88
Adjusted net debt to adjusted equity ratio	**0.97**	0.77

38. a) The Group's New Chemical Entity ('NCE') research program continued to progress in their Clinical Trials during the Financial Year 2018-19. Development Expenses incurred during the year ₹ 145.89 crore (Previous Year : ₹ 145.92 crore) has been capitalised and included under 'Intangible assets under development' as at March 31, 2019.

b) During the year 2018-19, Health Products Regulatory Authority, Ireland ('HPRA') and UK MHRA have carried out joint inspection of Shendra, Aurangabad facility of the Company. HPRA has granted GMP Certificate to Shendra, Aurangabad facility of the Company valid for a period of three years upto January 31, 2022. U. S. Food and Drug Administration ('USFDA') has carried out inspection of Bioequivalence Centre located at R&D Centre, Aurangabad and there was Nil observation (i.e. zero 483 observation).

c) Certain manufacturing facilities, having net book value of ₹ 200.20 crore and capital work in progress amounting to ₹ 457.75 crore, of the Group continues to be affected due to regulatory alert from US FDA. 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 its existing as well as facilities under progress to produce and supply products to US market. Efforts towards remediation and compliances measures to address the US FDA matters on these manufacturing facilities continue to be in place. All remediation expenses are being charged to statement of Profit and Loss.

39. RELATED PARTY DISCLOSURES

As per Indian Accounting Standard 24, the list of related parties and the disclosures of transactions with the these parties are given below:

(a) Parties where significant influence/control exists

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 Pvt Ltd (formerly Tohfaa Gifting Private Limited)
Palanpur Holdings and Investments Private Limited
Khorakiwala Holdings and Investments Private Limited
Dartmour Holdings Private Limited
Wockhardt Hospitals Limited
Amalthea Consultants
Lysithea Consultants
HNZ Consultants
Amalthea Discretionary Trust
Lysithea Discretionary Trust
HNZ Discretionary Trust
Merind Limited
Wockhardt Foundation
Carol Info Services Limited
Dr. Habil Khorakiwala Education and Health Foundation (Trust)-[Wockhardt Global School]
Dr. Habil Khorakiwala Education and Health Foundation (Section 25 Company)

Key managerial personnel

H.F. Khorakiwala - Chairman
Shekhar Datta - Non-Executive Independent Director (upto March 31, 2019)
Aman Mehta - Non-Executive Independent Director
D S Brar - Non-Executive Independent Director
Sanjaya Baru - Non-Executive Independent Director
Tasneem Mehta - Non-Executive Independent Director
Baldev Raj Arora - Non-Executive Independent Director
Vinesh Kumar Jairath - Non-Executive Independent Director
Zahabiya Khorakiwala - Non-Executive Non- Independent Director (w.e.f. October 30, 2017)
Huzaifa Khorakiwala - Executive Director
Murtaza Khorakiwala - Managing Director

Relatives of Key managerial personnel

N.H. Khorakiwala

(c) Transactions with related parties during the year

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

	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2019 USD in million	For the year ended March 31, 2018 ₹ in crore	For the year ended March 31, 2018 USD in million
Key managerial personnel				
Remuneration paid/payable [Chairman ₹ 2.80 crore (Previous year : ₹ 2.80 crore), Managing Director ₹ 2.40 crore (Previous year : ₹ 2.40 crore), Executive Director ₹ 2.40 crore (Previous year : ₹ 2.40 crore)]	**7.60**	**1.10**	7.60	1.17
Contribution to Provident fund [Chairman ₹ 0.32 crore (Previous year : ₹ 0.32 crore), Managing Director ₹ 0.27 crore (Previous year : ₹ 0.34 crore), Executive Director ₹ 0.27 crore (Previous year : ₹ 0.34 crore)]	**0.86**	**0.12**	1.00	0.15
Remuneration paid by one of the Subsidiary				
Chairman	–	–	33.53	5.14
Director sitting fee paid [Shekhar Datta ₹ 0.11 crore (Previous year : ₹ 0.12 crore), D S Brar ₹ 0.12 crore (Previous year : ₹ 0.12 crore), Sanjaya Baru ₹ 0.09 crore (Previous year : ₹ 0.09 crore), Tasneem Mehta ₹ 0.12 crore (Previous year : ₹ 0.12 crore), Baldev Raj Arora ₹ 0.14 crore (Previous year : ₹ 0.12 crore), Aman Mehta ₹ 0.12 crore (Previous year : ₹ 0.12 crore), Vinesh Kumar Jairath ₹ 0.14 crore (Previous year : ₹ 0.12 crore), Zahabiya Khorakiwala ₹ 0.02 crore (Previous year : ₹ 0.02 crore)]	**0.86**	**0.12**	0.83	0.13
Reimbursement of Expenses [D S Brar ₹ 0.01 crore (Previous year : ₹ 0.005 crore), Shekhar Datta ₹ Nil (Previous year : ₹ 0.02 crore) and Huzaifa Khorakiwala ₹ Nil (Previous year : ₹ 0.01 crore)]	**0.01**	**0.00**	0.04	0.01
Other parties exercising control				
Issue of Non-Convertible Non-Cumulative Redeemable Preference Shares (NCCRPS) to Humuza Consultants	**200.00**	**28.90**	–	–
Security deposit received from Humuza Consultants	–	–	0.01	0.00
Security deposit repaid to Humuza Consultants	–	–	0.01	0.00
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 ₹ 0.72 crore (Previous year : ₹ 0.72 crore), Carol Info Services Limited ₹ 70.57 crore (Previous year : ₹ 66.20 crore)]	**72.21**	**10.43**	67.84	10.41
Contribution and reimbursement of expenses given to Wockhardt Foundation	**4.54**	**0.66**	4.67	0.72
Donation paid to Habil Khorakiwala Education and Health Foundation (Trust)	**0.34**	**0.05**	1.23	0.19
Reimbursement of Expenses [Wockhardt Hospitals Limited ₹ 0.09 crore (Previous year : ₹ 0.14 crore), Carol Info Services Limited ₹ 1.78 crore (Previous year : ₹ 1.78 crore), The Peace Mission Private Limited ₹ 0.56 crore (Previous year : ₹ 0.45 crore)]	**2.43**	**0.35**	2.37	0.36
Rent income [Wockhardt Hospitals Limited ₹ 0.03 crore (Previous year : ₹ 0.01 crore), Wockhardt Foundation ₹ 0.004 crore (Previous year : ₹ 0.01 crore), Dr. Habil Khorakiwala Education and Health Foundation (Trust) ₹ 0.003 crore (Previous year : ₹ 0.02 crore)]	**0.04**	**0.01**	0.04	0.01
Recovery of expenses from Wockhardt Hospitals Limited	**0.09**	**0.01**	0.49	0.08
Dividend paid to Khorakiwala Holdings and Investments Private Limited	**0.01**	**0.00**	0.01	0.00
Advance to Carol Info Services Limited	**5.05**	**0.73**	–	–
Advances recovered from Carol Info Services Limited	**5.05**	**0.73**	–	–
Issue of Non-Convertible Non-Cumulative Redeemable Preference Shares (NCCRPS) to Khorakiwala Holdings and Investments Private Limited	**50.00**	**7.22**	–	–
Redemption of Non-Convertible Cumulative Redeemable Preference Shares (NCCRPS) issued to Khorakiwala Holdings and Investments Private Limited	**21.62**	**3.12**	–	–
Premium paid on Redemption of above Preference Shares	**7.69**	**1.11**	–	–
Redemption of Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) issued to Khorakiwala Holdings and Investments Private Limited	**9.26**	**1.34**	–	–
During the year, the Company has extended the redemption period of 160,000,000, 0.01% Non-Convertible Cumulative Redeemable Preference Shares which were due for redemption on March 31, 2019 by a year i.e. upto March 31, 2020 with a right to earlier redemption by giving one month notice by either parties post June 30, 2019. Premium at 4% p.a. shall be payable for the extended period upto the date of redemption.				
During the year the Company has given school premises on lease to Wockhardt Global School without rent.				

(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, 2019 ₹ in crore	As at March 31, 2019 USD in million	As at March 31, 2018 ₹ in crore	As at March 31, 2018 USD in million
Security deposit given to Carol Info Services Limited - Transaction value	**55.50**	**8.02**	55.50	8.51
[Carrying amount ₹ 30.21 crore (Previous year : ₹ 30.37 crore)]				
Payable to Enterprises over which Key Managerial Personnel exercise significant influence/Control [Wockhardt Hospitals Limited ₹ 0.13 crore (Previous year : ₹ Nil), Carol Info Services Limited ₹ 1.09 crore (Previous year : ₹ 25.49 crore), Palanpur Holdings and Investments Private Limited ₹ 0.66 crore (Previous year : ₹ 0.08 crore), The Peace Mission Private Limited ₹ 0.01 crore (Previous year : ₹ Nil), Khorakiwala Holdings and Investments Private Limited ₹ 130.00 crore (Previous year : ₹ 110.88 crore)*, Humuza Consultants ₹ 200.00 crore (Previous year : ₹ Nil)]	**331.89**	**47.96**	136.45	20.93
[Carrying amount : Khorakiwala Holdings and Investments Private Limited ₹ 142.79 crore (Previous year : ₹ 121.64 crore), Humuza Consultants ₹ 187.16 crore (Previous year : ₹ Nil)]				
* Refer Note 17 (IX)				
Receivable from Enterprises over which Key Managerial Personnel exercise significant influence/control [Wockhardt Hospitals Limited ₹ Nil (Previous year : ₹ 0.30 crore), Merind Limited ₹ 0.57 crore (Previous year : ₹ 0.57 crore), Wockhardt Foundation ₹ 0.01 crore (Previous year : ₹ 0.01 crore), Dr. Habil Khorakiwala Education and Health Foundation (Trust) ₹ 0.04 crore (Previous year : ₹ 0.04 crore)]	**0.62**	**0.09**	0.92	0.14
Security deposit given to Palanpur Holdings and Investments Private Limited	**2.75**	**0.40**	2.75	0.42

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, 2019 ₹ in crore	As at March 31, 2018 ₹ in crore
Wockhardt Bio AG	Switzerland	**14.15%**	14.15%

	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2018 ₹ in crore
Revenue from operations	**2,346.13**	2,167.83
Profit/(Loss) for the year	**(156.41)**	(413.77)
Other comprehensive income/(loss) for the year	**44.06**	157.87
Total comprehensive income/(loss) for the year	**(112.35)**	(255.90)
Profit/(Loss) allocated to Non - Controlling Interests	**(22.13)**	(58.55)
Total comprehensive income/(loss) allocated to Non - Controlling Interests	**(15.90)**	(36.21)

	As at March 31, 2019 ₹ in crore	As at March 31, 2018 ₹ in crore
Non-current assets	**2,842.84**	2,539.80
Current assets	**2,238.34**	2,900.20
Non-current liabilities	**957.61**	1,572.90
Current liabilities	**1,792.61**	1,423.79
Net assets	**2,330.96**	2,443.31
Net assets attributable to Non - Controlling Interests	**329.83**	345.73

	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2018 ₹ in crore
Cash flows from (used in) operating activities	**82.40**	(28.47)
Cash flows from (used in) investing activities	**(3.42)**	(40.85)
Cash flows from (used in) financing activities	**(655.49)**	(158.94)
Foreign currency translation differences	**(83.21)**	110.82
Net increase (decrease) in cash and cash equivalents	**(659.72)**	(117.44)

41. SHARE BASED PAYMENTS TO EMPLOYEES

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

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

Employee stock option activity under Scheme 2011 is as follows:

		For the year ended March 31, 2019	For the year ended March 31, 2018
(a)	Outstanding at beginning of the year	**747,000**	883,125
(b)	Granted during the year	**–**	–
(c)	Lapsed during the year (re-issueable)	**91,950**	53,700
(d)	Exercised during the year	**55,750**	82,425
(e)	Outstanding at the end of the year :	**599,300**	747,000
	of which		
	Options vested and exercisable at the end of the year	**381,000**	403,600
	Range of weighted average share price on the date of exercise per share	**₹ 634.67- ₹ 655.18**	₹ 584.90- ₹ 742.02
	Weighted average share price for the period	**574.05**	700.19
	Range of weighted average fair value of options on the date of grant per share	₹ 106.47 - ₹ 1,949.76	
No option has been forfeited during the year or in the previous year.			

		For the year ended March 31, 2019	For the year ended March 31, 2018
Net profit/(loss) as reported in Statement of Profit and Loss		**(194.53)**	(608.30)
Basic earnings per share as reported (₹)		**(17.58)**	(55.01)
Diluted earnings per share as reported (₹)		**(17.58)**	(55.01)
Fair value of the options have been computed as per the Black Scholes Pricing Model			
The key assumptions used to estimate the fair value of options are :			
	Range of stock price at the time of option grant (₹ Per share)	**₹ 414 - ₹ 1,954.20**	₹ 414 - ₹ 1,954.20
	Range of expected life	**1.50 years - 7.75 years**	1.50 years - 7.75 years
	Range of risk free interest rate	**7.43% - 8.64 %**	7.43% - 8.64 %
	Range of volatility	**36% - 88%**	36% - 88%
	Range of weighted average exercise price (₹ Per share)	**₹ 5 - ₹ 37.65**	₹ 5 - ₹ 37.65
	Range of weighted average remaining contractual life	**1.01 years - 8.03 years**	2.01 years - 9.03 years

The working of price relatives has been done by taking historical price movement of the closing prices which includes change in p rice 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.

42. 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 ₹ 44.62 crore (Previous year : ₹ 51.97 crore).

(b) Demand by Income tax authorities ₹ 114.77 crore (Previous year : ₹ 211.40 crore) disputed by the Company.

(c) Demand by Sales Tax authorities ₹ 90.83 crore (Previous year : ₹ 69.09 crore) disputed by the Company.

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

(e) Commercial dispute on a supply contract filed with London Court of International Arbitration disputed by the Company ₹ 45.10 crore (5 million GBP) [Previous year : ₹ 45.77 crore (5 million GBP)].

(f) Claims against Company not acknowledged as debt in respect of electricity expense ₹ 6.62 crore (Previous year : ₹ 6.17 crore), and remediation against the pollution of ground water ₹ 0.85 crore (Previous year : ₹ 0.85 crore).

(g) Demand from National Pharmaceutical Pricing Authority (NPPA) in respect of overcharging of certain products disputed by the Company ₹ 70.76 crore (Previous year : ₹ 71.96 crore).

(h) The Group is involved in other disputes, lawsuits, claims, inquiries and proceedings including commercial matters that arise from time to time in the ordinary course of business. The Group believes that there are no such pending matters that are expected to have any material adverse effect on its financial statements in any given accounting period.

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 98.61 crore (Previous year : ₹ 118.73 crore) after deducting advance on capital account of ₹ 5.16 crore (Previous year : ₹ 9.03 crore).

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

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

	Balance as at March 31, 2018 ₹ in crore	Balance as at April 01, 2017 ₹ in crore	Non cash changes		Other items considered separately ₹ in crore	Cash flows-inflow/ (Outflow) ₹ in crore
			Exchange fluctuation ₹ in crore	Fair value/Ind AS adjustments ₹ in crore		
Long-term borrowings (Net)	**3,310.73**	3,496.95	72.37	47.27	(0.19)	(305.67)
Short-term borrowings (Net)	**437.09**	662.80	6.22	–	(1.16)	(230.77)

44. As part of Corporate Social Responsibility (CSR) the Company is required to spend ₹ 0.62 crore during the year. As against this, the Company has made a payment of ₹ 4.21 crore (Previous year : ₹ 4.67 crore) to Wockhardt Foundation for spending on CSR activities. The aforesaid amount has been included in Note 29 under 'Miscellaneous expenses,' being contribution and other expenses (Also Refer note 39).

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

Prudent Electoral Trust ₹ Nil (Previous year : ₹ 6.00 crore)

46. Exceptional item: During the previous year, the on-going commercial litigation between the Company and two of its subsidiaries namely Wockhardt UK Holdings Limited and CP Pharmaceuticals Limited (CP) in relation to a supply contract with Cephalon Inc., (Cephalon) an affiliate of Teva Pharmaceuticals USA, Inc. (Teva) before the High Court in London, United Kingdom, was settled at cost of GBP 43 million amounting to ₹ 358.19 crore to the Group.

The High Court has accepted the settlement between the parties and a Consent Order was issued on June 21, 2017. Pursuant to this settlement the on-going litigation stands closed.

47 REVENUE

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

As per the new Standard , the Group has classified its Revenue as :

-Sale of products and services: Revenue is recognised when a contractual promise to a customer (performance obligation) has been fulfilled by transferring control over the promised goods and/or services to the customer. This transfer of control is generally at a point of time of shipment to or receipt of products by the customer or when the services are performed. The amount of revenue to be recognised is based on the consideration the 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: 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.

For desegregation of revenue in terms of geographical area, refer Note 34 on segment information.

In accordance with the first time adoption options available in the said standard, the Group has chosen the "cumulative effect method" and applied retrospectively only to contracts that are not completed as at the date of initial application (i.e. April 01, 2018). Accordingly, the comparatives have not been restated in line with the provisions of the Standard.

The adoption of the standard did not have any material impact to the financial statements of the Group for the year.

48. **Ind AS 116 Leases :** On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116 'Leases', Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 01, 2019.

The Group continues to evaluate the impact of the New Lease Standard on the lease arrangements and shall determine the appropriate transition option once the said evaluation is completed.

49. ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARY/ASSOCIATES/JOINT VENTURES

Name of the Entity	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount ₹ in Crore	As % of consolidated profit or loss	Amount ₹ in Crore	As % of consolidated other comprehensive income	Amount ₹ in Crore	As % of total comprehensive income	Amount ₹ in Crore
Parent								
Wockhardt Limited	40.82	1,226.63	37.80	(81.89)	(13.33)	(1.20)	40.01	(83.09)
SUBSIDIARIES								
Indian								
1. Wockhardt Infrastructure Development Limited	6.53	196.35	(7.45)	16.15	–	–	(7.78)	16.15
2. Wockhardt Medicines Limited	–	0.05	–	–	–	–	–	–

Name of the Entity	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount ₹ in Crore	As % of consolidated profit or loss	Amount ₹ in Crore	As % of consolidated other comprehensive income	Amount ₹ in Crore	As % of total comprehensive income	Amount ₹ in Crore
Foreign								
1. Z&Z Services GmbH	(0.05)	(1.38)	0.02	(0.04)	–	–	0.02	(0.04)
2. Wockhardt Europe Limited	0.30	9.00	0.01	(0.02)	–	–	0.01	(0.02)
3. Wockhardt Nigeria Limited	–	(0.10)	0.05	(0.10)	–	–	0.05	(0.10)
4. Wockhardt UK Holdings Limited	3.10	93.07	0.01	(0.02)	–	–	0.01	(0.02)
5. CP Pharmaceuticals Limited	4.57	137.21	14.76	(31.98)	(101.22)	(9.11)	19.79	(41.09)
6. CP Pharma (Schweiz) AG	0.04	1.13	0.01	(0.03)	–	–	0.01	(0.03)
7. Wallis Group Limited	0.86	25.90	–	–	–	–	–	–
8. The Wallis Laboratory Limited	(0.07)	(2.07)	0.02	(0.05)	–	–	0.02	(0.05)
9. Wockhardt Farmaceutica do Brasil Ltda	(0.02)	(0.68)	0.22	(0.48)	–	–	0.23	(0.48)
10. Wallis Licensing Limited	(0.34)	(10.19)	–	–	–	–	–	–
11. Wockhardt USA LLC	2.61	78.40	(7.76)	16.82	–	–	(8.10)	16.82
12. Wockhardt Bio AG	73.25	2,200.89	106.16	(230.01)	–	–	110.76	(230.01)
13. Wockhardt UK Limited	4.09	122.96	(5.89)	12.76	–	–	(6.14)	12.76
14. Wockpharma Ireland Limited	1.75	52.47	10.86	(23.52)	–	–	11.33	(23.52)
15. Pinewood Laboratories Limited	15.17	455.67	(27.27)	59.08	–	–	(28.45)	59.08
16. Wockhardt Holding Corp	5.46	164.10	1.47	(3.18)	–	–	1.53	(3.18)
17. Morton Grove Pharmaceuticals Inc	17.83	535.77	(6.36)	13.79	–	–	(6.64)	13.79
18. MGP Inc	0.77	23.21	(2.24)	4.85	–	–	(2.34)	4.85
19. Wockhardt France (Holdings) S.A.S	(15.58)	(468.04)	67.97	(147.26)	–	–	70.91	(147.26)
20. Laboratoires Pharma 2000 S.A.S	(0.85)	(25.59)	(1.87)	4.05	–	–	(1.95)	4.05
21. Laboratoires Negma S.A.S	5.45	163.87	41.19	(89.24)	–	–	42.97	(89.24)
22. Niverpharma S.A.S	(0.94)	(28.12)	0.15	(0.33)	–	–	0.16	(0.33)
23. Negma Beneulex S.A	–	0.14	0.18	(0.39)	–	–	0.19	(0.39)
24. Phytex S.A.S	0.02	0.59	0.01	(0.02)	–	–	0.01	(0.02)
25. Wockhardt Farmaceutica SA DE CV	(4.07)	(122.36)	8.33	(18.05)	–	–	8.69	(18.05)
26. Wockhardt Services SA DE CV	(0.06)	(1.91)	–	(0.01)	–	–	–	(0.01)
27. Pinewood Healthcare Limited	–	0.06	0.03	(0.06)	–	–	0.03	(0.06)
28. Wockhardt Bio (R) LLC	(0.04)	(1.33)	0.67	(1.46)	–	–	0.70	(1.46)
29. Wockhardt Bio Pty Ltd	0.04	1.14	(0.01)	0.03	–	–	(0.01)	0.03
30. Wockhardt Bio Ltd #	–	–		–	–	–	–	–
Non-controlling interests in all subsidiaries	10.98	329.83	10.21	(22.13)	69.22	6.23	7.66	(15.90)
Sub Total	**171.62**	**5,156.67**	**241.28**	**(522.74)**	**(45.33)**	**(4.08)**	**253.68**	**(526.82)**
Add/(Less): Effect of Inter Company elimination/adjustment	(71.62)	(2,152.04)	(141.28)	306.08	145.33	13.08	(153.68)	319.16
Total	**100.00**	**3,004.63**	**100.00**	**(216.66)**	**100.00**	**9.00**	**100.00**	**(207.66)**

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 the current year classification.

As per our attached report of even date

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

Bhavik L. Shah
Partner
Membership No. 122071

Narendra Singh
Company Secretary

Manas Datta
Chief Financial Officer

Place : Mumbai
Date : May 06, 2019

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

Aman Mehta
DIN: 00009364

D. S. Brar
DIN: 00068502

Sanjaya Baru
DIN: 05344208

Tasneem Mehta
DIN: 05009664

Baldev Raj Arora
DIN: 00194168

Vinesh Kumar Jairath
DIN: 00391684

Directors

INDEPENDENT AUDITOR'S REPORT

To the Members of Wockhardt Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Wockhardt Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the standalone Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS"), of the state of affairs of the Company as at March 31, 2019, its loss (including 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 Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act and 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	**Auditor's Response**
Recoverability of carrying value of certain Property, Plant and Equipment and Capital Work in progress As disclosed in Note 51(b) to the Standalone Ind AS financial statements, certain facilities of the Company having net book value of property, plant and equipment of ₹ 200.20 crore and capital work in progress of ₹ 353.25 crore have been affected due to regulatory alert from U.S. Food and Drug Administration ("USFDA"). The investment in these plants have been made considering the market feasibility and the potential of existing / future products in pipeline. The Company's remediation work is under progress and upon approval from regulatory authority, it would be able to utilise its existing facilities as well as facilities under progress and supply products to US market. We have focused on the recoverability of carrying amount of property, plant and equipment and capital work in progress because of the amount involved and the required management judgement in respect of expected approval from regulatory authority and future projection of the underlying business.	Our audit procedures over the recoverability of carrying values of property, plant and equipment and capital work in progress were based on the impairment tests of each Cash Generating Unit and included: • Assessing the progress of remediation work through discussion with the management and review of press releases made by the Company. • Review the forecast made by the management including future plans, market feasibility, product and plant approvals, alternative use and technical viability. • Determine accuracy of historical budgeting to challenge the reasonableness of the future budgets. • Challenge the reasonableness of key assumptions • Evaluation of robustness of valuation Methodology

Other Information

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

Our opinion on the Standalone Ind AS 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 Ind AS 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 Ind AS 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.

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act, read with relevant rules issued thereunder. 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 this standalone Ind AS 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 Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the standalone Ind AS 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 Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(2) As required by section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those;

c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;

d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with relevant rules issued thereunder;

e. On the basis of the written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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, we give our separate report in "Annexure 2".

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act;

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 46 on Contingent Liabilities to the standalone Ind AS financial statements;

(ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 17 and 24 to the standalone Ind AS financial statements;

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

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

Bhavik L. Shah
Partner
Membership No. 122071

Place : Mumbai
Date : May 06, 2019

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Wockhardt Limited on the standalone Ind AS financial statements for the year ended March 31, 2019]

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

(b) During the year, Property, Plant and Equipment have been physically verified by the management as per the regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.

(c) According to the information and explanation given to us, the title deeds of immovable properties other than self-constructed properties recorded as Property, Plant and Equipment in the books of account of the Company as on March 31, 2019 are held in the name of the Company, except for the details given below:

In respect of Freehold land with gross block and net block of ₹ 0.31 Crore and Building comprising of certain flats with gross block of ₹ 0.94 Crore and net block of ₹ 0.57 Crore, relevant transfer in the name of the Company is pending.

(ii) The inventory (excluding stocks lying with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable. As informed, no material discrepancies were noticed on physical verification carried out during the year.

(iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, Clause 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.

(iv) Based on information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Sections 185 and 186 of the Act.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.

(vi) We have broadly reviewed the books of account maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

(vii) (a) According to the information and explanation given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employee's state insurance, income tax, goods and services tax, customs duty, cess and any other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee's state insurance, income tax, goods and services tax, customs duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax, service tax, value added tax, goods and services tax, customs duty, excise duty on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in crore)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	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

ANNEXURE 1 TO INDEPENDENT AUDITOR'S REPORT

Name of the statute	Nature of dues	Amount (₹ in crore)	Period to which the amount relates	Forum where dispute is pending
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)	5.15	April 2014 to March 2015	Addl. Commissioner Grade 2 (Appeals) first, Ghaziabad
WB VAT/CST Act	Demand under various Sections	1.89	2007-08 to 2014-15	Addl. Commissioner (Appeals) and Appellate & Revision Board, W.B
Kerala VAT Act	Demand under Section 21	0.07	April 2011 to March 2012	Commissioner (Appeals), Kerala
Central Sales Tax/ VAT Act	Demand under Section 9(2)	0.30	April 2005 to March 2006	Deputy Commissioner of Sales Tax (Appeals III), Maharashtra
	Demand under CST and Goa VAT Act	1.25	2006-2007	Addl. Commissioner of Commercial Tax, Goa
	Demand under MVAT Act	3.04	April 2009 to March 2010	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	10.64	April 2012 to March 2013	Joint Commissioner (Appeals), Maharashtra
	Demand under MVAT Act	1.66	April 2012 to March 2013	Joint Commissioner (Appeals)
	Demand under MVAT Act	5.45	April 2013 to March 2014	Joint Commissioner (Appeals)
	Demand under CST Act	0.99	April 2013 to March 2014	Joint Commissioner (Appeals)
	Demand under MVAT Act	3.64	April 2014 to March 2015	Joint Commissioner (Appeals)
	Demand under CST Act	1.40	April 2014 to March 2015	Joint Commissioner (Appeals)
The Finance Act, 1994 (Service Tax)	Interest and penalty on non-payment of Service Tax on Import of certain services	0.98	April 2005 to March 2010	Joint Commissioner (Appeals)
	Interest on non-payment of Service Tax on Import of certain services	0.07	April 2011 to March 2012	Joint Commissioner (Appeals)
Income Tax Act, 1961	Demand under Section 143(3)	4.04	FY 2003-04	High Court
	Demand under Section 143(3)	12.8	FY 2006-07	Income Tax Appellate Tribunal
	Demand under Section 143(3)	0.46	FY 2007-08	Income Tax Appellate Tribunal
	TDS Assessment order u/s 201/201(A)	0.14	January 2007 to December 2009	Commissioner of Income Tax (Appeals) / TDS Officers

ANNEXURE 1 TO INDEPENDENT AUDITOR'S REPORT

Name of the statute	Nature of dues	Amount (₹ in crore)	Period to which the amount relates	Forum where dispute is pending
	TDS (TRACES)	0.31	January 2012 to December 2017	TDS Officers
	TDS Assessment order u/s 201/201(A)	1.99	FY 2009-10	Commissioner of Income Tax (Appeals) - TDS
	Demand under Section 143(3)	0.62	FY 2011-12	Commissioner of Income Tax (Appeals)
	Demand under Section 143(3)	45.14	FY 2012-13	Income Tax Appellate Tribunal
	TDS Assessment order u/s 201/201(A)	36.66	FY 2010-11	Commissioner of Income Tax (Appeals) - TDS
	Demand under Section 143(3)	21.00	FY 2013-14	Commissioner of Income Tax (Appeals)
	TDS Assessment order u/s 201/201(A)	42.47	FY 2011-12	Commissioner of Income Tax (Appeals)
	Demand under Section 143(3)	47.54	FY 2010-11	Commissioner of Income Tax (Appeals)

Note: Out of the above, amount paid/adjusted under protest by the Company for Excise, VAT, Service tax and Income-tax is ₹ 0.47 Crore, ₹ 5.97 Crore, ₹ 0.15 Crore and ₹ 50.65 Crore respectively.

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, or dues to debenture holders.

(ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and in our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were raised.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.

(xi) According to the information and explanations given to us, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

(xiii) According to the information and explanation given to us and based on our examination of the records of the Company, all the transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements as required under Indian Accounting Standards (Ind AS) 24, "Related Party Disclosures" specified under Section 133 of the Act.

(xiv) The Company has made preferential allotment of Non-Convertible Non-Cumulative Redeemable Preference Shares during the year under review and in our opinion and according to the information and explanations given to us, the requirement of Section 42 of the Act have been complied with and the amount raised have been used for the purposes for which the funds were raised.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.

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

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

Bhavik L. Shah
Partner
Membership No. 122071

Place : Mumbai
Date : May 06, 2019

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Wockhardt Limited on the standalone Ind AS financial statements for the year ended March 31, 2019]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Wockhardt Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of 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 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 financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A Company's internal financial control with reference to 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 control with reference to 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 Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

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

Bhavik L. Shah
Partner
Membership No. 122071

Place : Mumbai
Date : May 06, 2019

BALANCE SHEET

As at March 31, 2019

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

	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	4	**1,589.26**	1,394.74
Capital work-in-progress	5	**380.90**	653.34
Intangible assets	6	**25.06**	27.99
Financial assets			
Investments in subsidiaries	7	**296.82**	296.77
Other Investments	7	**0.45**	0.45
Non-current Financial assets	8	**80.88**	74.43
Non-current tax assets (Net)		**99.45**	124.40
Deferred tax assets (Net)	18	**138.55**	44.35
Other non-current assets	9	**96.52**	102.37
		2,707.89	2,718.84
CURRENT ASSETS			
Inventories	10	**370.04**	377.07
Financial Assets			
Trade receivables	11	**1,005.01**	799.76
Cash and cash equivalents	12	**177.07**	67.83
Bank balance (other than above)	12	**49.14**	184.90
Other Current Financial assets	13	**19.72**	5.95
Other current assets	14	**208.96**	231.61
		1,829.94	1,667.12
TOTAL		**4,537.83**	4,385.96
EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	15	**55.34**	55.32
Other Equity		**1,171.29**	1,239.37
		1,226.63	1,294.69
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	16	**941.93**	758.39
Provisions	17	**44.26**	53.12
Other non-current liabilities	19	**497.27**	490.73
		1,483.46	1,302.24
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	20	**561.71**	437.09
Trade payables	21		
Due to Micro enterprises and Small enterprises		**78.83**	19.73
Due to Others		**539.92**	426.06
Other financial liabilities	22	**535.56**	715.13
Other current liabilities	23	**75.50**	99.21
Provisions	24	**35.41**	41.64
Current tax Liabilities (Net)		**0.81**	50.17
		1,827.74	1,789.03
TOTAL		**4,537.83**	4,385.96
Significant accounting policies	3		
The accompanying notes form an integral part of these Financial Statements.			

As per our attached report of even date

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

Bhavik L. Shah
Partner
Membership No. 122071

Place : Mumbai
Date : May 06, 2019

Narendra Singh
Company Secretary

Manas Datta
Chief Financial Officer

For and on behalf of the Board of Directors

H. F. Khorakiwala
Chairman
DIN: 00045608

Huzaifa Khorakiwala
Executive Director
DIN: 02191870

Murtaza Khorakiwala
Managing Director
DIN: 00102650

Zahabiya Khorakiwala
Non Executive Director
DIN: 00102689

Aman Mehta
DIN: 00009364

D. S. Brar
DIN: 00068502

Sanjaya Baru
DIN: 05344208

Tasneem Mehta
DIN: 05009664

Baldev Raj Arora
DIN: 00194168

Vinesh Kumar Jairath
DIN: 00391684

Directors

STATEMENT OF PROFIT AND LOSS

For the Year Ended March 31, 2019

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

	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
REVENUE			
Revenue from operations	25	**2,149.95**	2,477.29
Other income	26	**31.00**	56.85
TOTAL		**2,180.95**	2,534.14
EXPENSES			
Cost of materials consumed		**464.73**	457.12
Purchases of stock-in-trade		**402.48**	391.15
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	**5.03**	127.09
Employee benefits expense	28	**482.20**	506.44
Finance costs	29	**170.63**	169.58
Depreciation and amortisation expense	4 & 6	**121.91**	106.24
Exchange fluctuation loss/(gain), net		**(3.80)**	5.51
Other expenses	30	**713.20**	667.09
TOTAL		**2,356.38**	2,430.22
PROFIT/(LOSS) BEFORE TAX		**(175.43)**	103.92
Tax expense:			
Current tax	18	**–**	21.89
Deferred tax (credit)/charge	18	**(93.54)**	13.37
PROFIT/(LOSS) AFTER TAX BEFORE OTHER COMPREHENSIVE INCOME		**(81.89)**	68.66
Other Comprehensive Income			
Items that will not be not reclassified to profit or loss - (charge)/credit (Consisting of re-measurement of net defined benefit (liability)/asset)		**(1.86)**	0.28
Income tax relating to items that will not be reclassified to profit or loss - (charge)/credit		**0.66**	(0.29)
Other Comprehensive Income (Net of Tax)		**(1.20)**	(0.01)
TOTAL COMPREHENSIVE INCOME		**(83.09)**	68.65
Earnings per equity share of face value of ₹ 5 each			
Basic ₹	31	**(7.40)**	6.21
Diluted ₹	31	**(7.40)**	6.14
Significant accounting policies	3		
The accompanying notes form an integral part of these Financial Statements.			

As per our attached report of even date

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

Bhavik L. Shah
Partner
Membership No. 122071

Place : Mumbai
Date : May 06, 2019

Narendra Singh
Company Secretary

Manas Datta
Chief Financial Officer

For and on behalf of the Board of Directors

H. F. Khorakiwala
Chairman
DIN: 00045608

Huzaifa Khorakiwala
Executive Director
DIN: 02191870

Murtaza Khorakiwala
Managing Director
DIN: 00102650

Zahabiya Khorakiwala
Non Executive Director
DIN: 00102689

Aman Mehta
DIN: 00009364

D. S. Brar
DIN: 00068502

Sanjaya Baru
DIN: 05344208

Tasneem Mehta
DIN: 05009664

Baldev Raj Arora
DIN: 00194168

Vinesh Kumar Jairath
DIN: 00391684

Directors

STATEMENT OF CHANGES IN EQUITY

For the Year Ended March 31, 2019

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

Equity Share Capital

As at April 01, 2017 ₹ in crore	Changes in equity share capital during the year ₹ in crore	As at March 31, 2018 ₹ in crore	Changes in equity share capital during the year ₹ in crore	**As at March 31, 2019 ₹ in crore**
55.27	0.05	55.32	0.02	**55.34**

Other equity

₹ in crore

	Reserves and Surplus								Total
	Capital Reserve		Capital Redemption Reserve	Securities Premium	Share Options Outstanding Account	General Reserve	Other Reserves-FCMITDA	Retained Earnings	
	Capital Reserve (other than capital contribution)	Capital Contribution							
Balance as on April 01, 2017	**172.78**	**43.96**	**489.35**	**50.48**	**37.01**	**259.83**	**(6.88)**	**117.52**	**1,164.05**
Profit for the year	–	–	–	–	–	–	–	68.66	68.66
Other Comprehensive income for the year - Re-measurement of net defined benefit (liability)/asset	–	–	–	–	–	–	–	(0.01)	(0.01)
Total comprehensive Income	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**68.65**	**68.65**
Net additions/(deductions) on ESOP options (also refer note 40)	–	–	–	6.00	(0.29)	0.88	–	–	6.59
Additions in Foreign Currency Monetary Items Translation Difference Account (FCMITDA)	–	–	–	–	–	–	(1.40)	–	(1.40)
Amortisation from Foreign Currency Monetary Items Translation Difference Account (FCMITDA)	–	–	–	–	–	–	1.48	–	1.48
Balance as on March 31, 2018	**172.78**	**43.96**	**489.35**	**56.48**	**36.72**	**260.71**	**(6.80)**	**186.17**	**1,239.37**
Loss for the year	–	–	–	–	–	–	–	**(81.89)**	**(81.89)**
Other Comprehensive income for the year - Re-measurement of net defined benefit (liability)/asset	–	–	–	–	–	–	–	(1.20)	(1.20)
Total comprehensive Income	–	–	–	–	–	–	–	(83.09)	(83.09)
Net additions/(deductions) on ESOP options (also refer note 40)	–	–	–	4.17	(4.45)	1.86	–	–	1.58
Net additions on Preference shares	–	21.61	–	–	–	–	–	–	21.61
Additions in Foreign Currency Monetary Items Translation Difference Account (FCMITDA)	–	–	–	–	–	–	(22.14)	–	(22.14)
Amortisation from Foreign Currency Monetary Items Translation Difference Account (FCMITDA)	–	–	–	–	–	–	13.96	–	13.96
Balance as on March 31, 2019	**172.78**	**65.57**	**489.35**	**60.65**	**32.27**	**262.57**	**(14.98)**	**103.08**	**1,171.29**

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.

As per our attached report of even date

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

Bhavik L. Shah
Partner
Membership No. 122071

Place : Mumbai
Date : May 06, 2019

Narendra Singh
Company Secretary

Manas Datta
Chief Financial Officer

For and on behalf of the Board of Directors

H. F. Khorakiwala
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DIN: 00194168

Vinesh Kumar Jairath
DIN: 00391684

Directors

CASH FLOW STATEMENT

For the Year Ended March 31, 2019

	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2018 ₹ in crore
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES:		
Net profit/(loss) before taxation	**(175.43)**	103.92
Adjustments for:		
Depreciation and amortisation expense	**121.91**	106.24
Liabilities no more payable	**(1.06)**	(9.46)
Allowance for credit loss	**1.10**	2.22
Provision for doubtful advances	**(3.25)**	5.25
Bad Debts	**8.68**	4.66
Exchange fluctuation loss/(gain), net	**(3.80)**	5.51
Loss on assets sold/write off of fixed assets (net)	**0.32**	2.23
Finance costs	**170.63**	169.58
Interest income	**(12.33)**	(31.16)
Fair valuation impact on certain financial instruments	**3.19**	3.66
Dividend income* * Dividend income ₹ 12,600 (Previous year - ₹ Nil)	**–**	–
Guarantee fees	**(13.40)**	(14.00)
Share based payments to Employees	**1.58**	6.60
Operating profit before Working Capital changes	**98.14**	355.25
Movement in working capital:		
(Increase) / Decrease in Inventories	**3.05**	157.65
(Increase) / Decrease in Trade receivables	**(191.28)**	(461.41)
(Increase) / Decrease in Loans and Advances and other assets	**27.83**	5.21
Increase / (Decrease) in Liabilities and provisions	**(22.00)**	(29.42)
Increase / (Decrease) in Trade payables	**167.00**	102.15
Cash from Operations	**82.74**	129.43
Income taxes paid	**(24.41)**	(10.05)
Net cash from Operating Activities (A)	**58.33**	119.38
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES:		
Purchase of Property, Plant and Equipment, Capital work-in progress and Intangible assets	**(25.84)**	(45.08)
Proceeds relating to Property, Plant and Equipment	**1.75**	0.99
Investment in subsidiary	**(0.05)**	–
Repayment by / (Loans to) subsidiary (net)	**–**	9.22
Margin money under lien and Bank balances (other than cash and cash equivalents)	**135.46**	453.69
Interest received	**9.01**	31.92
Dividend received* * Dividend income ₹ 12,600 (Previous year - ₹ Nil)	**–**	–
Net cash from Investing Activities (B)	**120.33**	450.74

	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2018 ₹ in crore
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES (Refer note 48) :		
Proceeds from Issuance of Equity share capital	**0.02**	0.05
Proceeds from Issuance of preference shares	**250.00**	–
Proceeds from long-term borrowings (other than preference shares above)	**200.00**	3.80
Redemption of preference shares	**(218.56)**	–
Repayment of long-term borrowings (other than preference shares above)	**(238.78)**	(169.61)
Short-term borrowings (net)	**122.84**	(229.84)
Finance costs paid	**(132.14)**	(128.14)
Premium on redemption of preference shares	**(52.78)**	–
Dividend paid (including dividend distribution tax, if any)	**(0.02)**	(0.10)
Net cash used in Financing Activities (C)	**(69.42)**	(523.84)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**109.24**	46.28
CASH AND CASH EQUIVALENTS, at beginning of year	**67.83**	21.56
Unrealised gain/(loss) on Foreign Currency Cash and Cash equivalents	**–**	(0.01)
CASH AND CASH EQUIVALENTS, at end of year	**177.07**	67.83
Component of cash and cash equivalents, as at March 31, 2019		
Cash	**0.07**	0.09
Balance with banks:		
– in current account	**106.86**	67.74
Deposits with maturity of less than 3 months	**70.14**	–
TOTAL	**177.07**	67.83

Notes:

1. All figures in bracket are outflow.
2. Income taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

As per our attached report of even date

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

Bhavik L. Shah
Partner
Membership No. 122071

Place : Mumbai
Date : May 06, 2019

Narendra Singh
Company Secretary

Manas Datta
Chief Financial Officer

For and on behalf of the Board of Directors

H. F. Khorakiwala
Chairman
DIN: 00045608

Huzaifa Khorakiwala
Executive Director
DIN: 02191870

Murtaza Khorakiwala
Managing Director
DIN: 00102650

Zahabiya Khorakiwala
Non Executive Director
DIN: 00102689

Aman Mehta
DIN: 00009364

D. S. Brar
DIN: 00068502

Sanjaya Baru
DIN: 05344208

Tasneem Mehta
DIN: 05009664

Baldev Raj Arora
DIN: 00194168

Vinesh Kumar Jairath
DIN: 00391684

Directors

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended March 31, 2019

1. CORPORATE INFORMATION

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

The Company and its subsidiaries (the 'Group') is a Global Pharmaceutical and Biotech company with presence in USA, UK, Switzerland, Ireland, Mexico, Russia and many other countries. It has manufacturing and research facilities in India, USA and UK and a manufacturing facility in Ireland. The Company has a significant presence in USA, Europe and India. The financial statements were approved by the Board of Directors and authorised for issue on May 06, 2019.

2. BASIS OF PREPARATION OF 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.

B. Basis of preparation

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

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

C. Use of Estimates and Judgments

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

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

Critical judgements in applying accounting policies:

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

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

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

(ii) *Leasehold land:*

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

Key sources of estimation uncertainty:

(i) *Impairment of trade receivables:*

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

(ii) *Legal and other disputes:*

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

(iii) 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.

(iv) Sales returns and rebates:

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

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

Because the amounts are 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.

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

3. SIGNIFICANT ACCOUNTING POLICIES:

a) Property, Plant and Equipment and Depreciation

I. Recognition and Measurement:

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

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

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

II. Subsequent expenditure

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

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

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

III. Depreciation and amortisation

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

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

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

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

b) Intangible assets

I. Recognition and Measurement:

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

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

II. Subsequent Expenditure

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

III. Amortisation

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

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

c) Research and Development

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

d) Impairment of assets

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

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

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

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

e) Foreign Currency Transactions/Translations:

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

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

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

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

f) Financial Instruments

I. <u>Financial assets</u>

(i) <u>Classification of financial assets</u>

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.

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

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

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

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

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 recognised in the Statement of Profit and Loss. Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

(iii) Initial recognition and measurement:

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

(iv) Derecognition

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

III. Fair value:

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

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

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

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

IV. Accounting for day 1 differences:

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

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

In case the difference represents:

(i) deemed capital contribution - it is recorded as an Investment in Subsidiary

(ii) deemed distribution - It is recorded in equity

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

V. Embedded derivatives

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

VI. Financial guarantee contracts

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

VII. Offsetting of financial instruments

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

g) Business combinations

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

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

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

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

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

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

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

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

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

h) Income tax

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

Current tax

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

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

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

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

Deferred tax

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

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

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

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

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

Deferred tax assets and liabilities are offset only if:

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

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

i) Inventories

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

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

Inventories of stores and spare parts are valued at cost.

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

j) Revenue Recognition

Sale of goods

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

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.

Sale of Services, Outlicensing fees, Assignment of New Chemical Entity and Sale of Intellectual Property.

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

Export Incentive

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

Royalties

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

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

Insurance claims

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

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

k) Employee Benefits

Short term employee benefits

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

Defined contribution plans

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

Defined benefit plans

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

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

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

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

Other long-term employee benefits

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

l) Share-based payment transactions

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

m) Leases

Determination of lease arrangement

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

a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and

b) the arrangement conveys a right to use the asset.

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

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

Finance Lease

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

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

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

Operating Lease

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

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

n) Provisions, Contingent Liabilities and Contingent Assets

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

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

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

o) Borrowing costs

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

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

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

p) Government Grants

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

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

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

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

q) Earnings per share

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

r) Segment reporting

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

s) 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.

t) Operating cycle

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

4. PROPERTY, PLANT AND EQUIPMENT

(₹ in Crore)

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at April 01, 2018	Additions	Deduction/ Other Adjustments	**As at March 31, 2019**	As at April 01, 2018	For the year	Deduction/ Other Adjustments	**As at March 31, 2019**	**As at March 31, 2019**	As at March 31, 2018
Freehold Land	98.91	–	–	**98.91**	–	–	–	**–**	**98.91**	98.91
Leasehold land	99.24	–	–	**99.24**	3.97	1.42	–	**5.39**	**93.85**	95.27
Buildings	272.82	97.29	–	**370.11**	69.72	10.83	–	**80.55**	**289.56**	203.10
Plant and Equipment	1,672.34	204.85	3.95	**1,873.24**	702.06	94.90	1.88	**795.08**	**1,078.16**	970.28
Furniture and Fixtures	29.80	1.39	–	**31.19**	16.27	1.64	–	**17.91**	**13.28**	13.53
Vehicles	6.95	0.63	–	**7.58**	6.46	0.31	–	**6.77**	**0.81**	0.49
Office equipment	13.16	2.59	0.07	**15.68**	10.23	1.53	0.07	**11.69**	**3.99**	2.93
Information Technology Equipments	63.26	7.30	0.11	**70.45**	53.03	6.83	0.11	**59.75**	**10.70**	10.23
TOTAL	**2,256.48**	**314.05**	**4.13**	**2,566.40**	**861.74**	**117.46**	**2.06**	**977.14**	**1,589.26**	**1,394.74**

(₹ in Crore)

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at April 01, 2017	Additions	Deduction/ Other Adjustments	As at March 31, 2018	As at April 01, 2017	For the year	Deduction/ Other Adjustments	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Freehold Land	98.91	–	–	98.91	–	–	–	–	98.91	98.91
Leasehold land	99.24	–	–	99.24	2.55	1.42	–	3.97	95.27	96.69
Buildings	266.57	6.25	–	272.82	60.90	8.82	–	69.72	203.10	205.67
Plant and Equipment	1,637.15	44.66	9.47	1,672.34	625.92	82.53	6.39	702.06	970.28	1,011.23
Furniture and Fixtures	28.02	2.33	0.55	29.80	14.84	1.90	0.47	16.27	13.53	13.18
Vehicles	6.92	0.03	–	6.95	5.86	0.60	–	6.46	0.49	1.06
Office equipment	10.70	2.51	0.05	13.16	9.01	1.27	0.05	10.23	2.93	1.69
Information Technology Equipments	56.80	6.46	–	63.26	47.33	5.70	–	53.03	10.23	9.47
TOTAL	**2,204.31**	**62.24**	**10.07**	**2,256.48**	**766.41**	**102.24**	**6.91**	**861.74**	**1,394.74**	**1,437.90**

Notes:

a) Exchange differences arising on long term foreign currency monetary items relating to depreciable asset adjusted in additions above amounts to ₹ 9.59 crore (Previous year - ₹ 0.61 crore)

b) Charge has been created against the aforesaid assets for the borrowings taken by the Company (Refer note 16, 20 and 22) and its subsidiary.

5. CAPITAL WORK-IN-PROGRESS

	As at March 31, 2019 ₹ in crore	As at March 31, 2018 ₹ in crore
Capital Work-in-progress (Refer Notes below)	**380.90**	653.34
TOTAL	**380.90**	653.34

a) Addition to Capital Work-In-Progress includes expenditure incurred during construction period pending allocation aggregating ₹ Nil (Previous year - ₹ 19.16 crore). These expenses include Material and Employee Cost ₹ Nil (Previous year - ₹ 1.30 crore), depreciation ₹ Nil (Previous year - ₹ 0.11 crore), Interest Cost ₹ Nil (Previous year - ₹ 7.12 crore) and Other operating cost ₹ Nil (Previous year - ₹ 10.63 crore) [Rent ₹ Nil (Previous year - ₹ 7.03 crore), Rates and taxes ₹ Nil (Previous year - ₹ 0.05 crore), Repairs and maintenance ₹ Nil (Previous year - ₹ 0.40 crore), Stores and spare parts consumed ₹ Nil (Previous year - ₹ 0.05 crore), Utility charges ₹ Nil (Previous year - ₹ 2.54 crore) and Other general expenses ₹ Nil (Previous year - ₹ 0.56 crore)].

b) Charge has been created against the aforesaid assets for the borrowings taken by the Company (Refer note 16, 20 and 22) and its subsidiary.

6. INTANGIBLE ASSETS

(₹ in Crore)

Particulars	GROSS BLOCK				ACCUMULATED AMORTISATION				NET BLOCK	
	As at April 01, 2018	Additions	Deduction/ Other Adjustments	**As at March 31, 2019**	As at April 01, 2018	For the year	Deduction/ Other Adjustments	**As at March 31, 2019**	**As at March 31, 2019**	As at March 31, 2018
Trademarks/Technical know-how	121.58	–	–	**121.58**	121.58	–	–	**121.58**	**–**	–
Computer software	50.34	1.52	–	**51.86**	22.35	4.45	–	**26.80**	**25.06**	27.99
TOTAL	**171.92**	**1.52**	**–**	**173.44**	**143.93**	**4.45**	**–**	**148.38**	**25.06**	**27.99**

(₹ in Crore)

Particulars	GROSS BLOCK				ACCUMULATED AMORTISATION				NET BLOCK	
	As at April 01, 2017	Additions	Deduction/ Other Adjustments	As at March 31, 2018	As at April 01, 2017	For the year	Deduction/ Other Adjustments	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Trademarks/Technical know-how	121.58	–	–	121.58	121.58	–	–	121.58	–	–
Computer software	44.96	5.38	–	50.34	18.35	4.00	–	22.35	27.99	26.61
TOTAL	**166.54**	**5.38**	**–**	**171.92**	**139.93**	**4.00**	**–**	**143.93**	**27.99**	**26.61**

7. NON-CURRENT INVESTMENTS

	As at March 31, 2019 ₹ in crore	As at March 31, 2018 ₹ in crore
A. Investments in Subsidiaries:		
a) 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 - Nil) 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**	–
b) 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	296.77
Aggregate book value of unquoted investments	**296.82**	296.77
B. Other Investments - Fair value through Profit or Loss		
Unquoted Equity Shares:		
443,482 (Previous year - 443,482) Equity Shares of Narmada Clean Tech Limited (formerly known as Bharuch Eco-Aqua Infrastructure Limited) of ₹ 10 each fully paid up	**0.44**	0.44
(Transaction value : ₹ 0.44 crore; Previous year - ₹ 0.44 crore)		
6,300 (Previous year - 6,300) Equity Shares of Bharuch Enviro Infrastructure Limited of ₹ 10 each fully paid up	**0.01**	0.01
(Transaction value : ₹ 0.01 crore; Previous year - ₹ 0.01 crore)		
	0.45	0.45
Aggregate book value of unquoted investments	**0.45**	0.45
TOTAL	**297.27**	297.22

8. NON-CURRENT FINANCIAL ASSETS

	As at March 31, 2019 ₹ in crore	As at March 31, 2018 ₹ in crore
Security Deposits	**40.25**	49.62
Includes deposits with Related parties ₹ 37.99 crore (Previous year - ₹ 37.79 crore) - Refer note 42.		
Margin money (under Lien)	**1.24**	1.10
Deposit with maturity of more than 12 months (under Lien)	**0.16**	–
Guarantee fees receivable from related party (Refer note 42)	**39.23**	23.71
TOTAL	**80.88**	74.43

9. OTHER NON-CURRENT ASSETS

	As at March 31, 2019 ₹ in crore	As at March 31, 2018 ₹ in crore
Capital Advances	**3.17**	5.46
Security Deposits	**13.38**	14.97
The above advances also include balances with Government authorities amounting ₹ 10.98 crore (Previous year - ₹ 12.55 crore)		
Other advances	**79.97**	81.94
Includes:		
– advance rent with related parties ₹ 27.48 crore (Previous year - ₹ 26.18 crore), and		
– balances with Government authorities amounting ₹ 52.18 crore (Previous year - ₹ 52.50 crore)		
TOTAL	**96.52**	102.37

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

10. INVENTORIES

	As at March 31, 2019 ₹ in crore	As at March 31, 2018 ₹ in crore
Raw Materials, Packing materials and components	**136.72**	141.70
Goods in transit	**4.87**	6.37
	141.59	148.07
Work-in-progress	**40.71**	59.27
Finished goods	**103.52**	58.27
Stock-in-trade	**37.99**	69.71
Stores and spares	**46.23**	41.75
TOTAL	**370.04**	377.07

Notes:

(i) Inventories are valued at cost or net realisable value, whichever is lower.

(ii) Write down of inventories to net realisable value for the year ₹ 4.01 crore (Previous year - ₹ 31.47 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.

11. TRADE RECEIVABLES

	As at March 31, 2019 ₹ in crore	As at March 31, 2018 ₹ in crore
Unsecured, considered good	**1,025.26**	821.37
Less: Allowance for credit loss	**(20.25)**	(21.61)
	1,005.01	799.76
Unsecured, credit impaired	**47.01**	44.54
Less: Allowance for credit loss	**(47.01)**	(44.54)
	–	–
TOTAL	**1,005.01**	799.76

Note:

Trade receivables include dues from private companies in which any director is a director or a member ₹ 1.50 crore (Previous year - ₹ 3.14 crore)

12. CASH AND BANK BALANCES

	As at March 31, 2019 ₹ in crore	As at March 31, 2018 ₹ in crore
Cash and cash equivalents		
Balances with banks		
In current account	**106.86**	67.74
Deposits with maturity of less than 3 months	**70.14**	–
	177.00	67.74
Cash in hand	**0.07**	0.09
	177.07	67.83
Other bank balances		
Deposits with original maturity more than 3 months but less than 12 months	**–**	132.38
Deposits with original maturity equal to 12 months [under lien - ₹ Nil (Previous year - ₹ 0.02 crore)]	**–**	0.02
Deposits with original maturity more than 12 months [under lien - ₹ 45.66 crore (Previous year - ₹ 45.80 crore)]	**45.66**	45.80
Margin money (under lien)	**1.57**	4.77
Unpaid dividend accounts	**1.91**	1.93
	49.14	184.90
TOTAL	**226.21**	252.73

13. OTHER CURRENT FINANCIAL ASSETS

	As at March 31, 2019 ₹ in crore	As at March 31, 2018 ₹ in crore
Other Receivables	**19.72**	5.95
TOTAL	**19.72**	5.95

14. OTHER CURRENT ASSETS

	As at March 31, 2019 ₹ in crore	As at March 31, 2018 ₹ in crore
Advances to suppliers (Refer note (iii) below)	**13.34**	26.42
Balances with/Receivable from Statutory/Government Authorities	**171.19**	176.77
Other advances (Refer note (ii) below)	**24.43**	28.42
TOTAL	**208.96**	231.61

Notes:

(i) The above amounts are net of provisions, if any.

(ii) Includes amount pertaining to related parties ₹ 3.18 crore (Previous year - ₹ 6.84 crore)

(iii) Advances due from private companies in which any director is a director or a member ₹ 0.36 crore (Previous year - ₹ 0.42 crore)

15. EQUITY SHARE CAPITAL

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount ₹ in crore	No. of Shares	Amount ₹ in crore
AUTHORISED				
Equity shares of ₹ 5/- each	**250,000,000**	**125.00**	250,000,000	125.00
		125.00		125.00
ISSUED, SUBSCRIBED AND PAID UP				
Equity shares of ₹ 5/- each fully paid up:				
Shares outstanding as at the beginning of the year	**110,630,453**	**55.32**	110,548,028	55.27
Add: Shares issued during the year pursuant to ESOS	**55,750**	**0.02**	82,425	0.05
Shares outstanding as at the end of the year	**110,686,203**	**55.34**	110,630,453	55.32

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:**

599,300 (Previous year - 747,000) equity shares of face value ₹ 5/- each have been reserved for issue under Wockhardt Stock Option Scheme-2011.

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

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Themisto Trustee Company Private Limited which holds these shares in its capacity as the trustee of Habil Khorakiwala Trust which in turn holds these shares in its capacity as the partner of the partnership firm Humuza Consultants.	**60,497,757***	**54.66**	60,497,757	54.68

* of the above 1,250,000 Equity Shares have been pledged during the year

16. NON-CURRENT FINANCIAL LIABILITIES-BORROWINGS

	As at March 31, 2019 ₹ in crore	As at March 31, 2018 ₹ in crore
Secured		
Term Loans		
Financial institutions (Refer note (1) below)	**276.83**	391.08
Banks (Refer note (2) below)	**426.88**	362.04
	703.71	753.12
Unsecured		
Deferred payment liabilities		
Sales tax deferral loan (Refer note (3) below)	**–**	0.01
Loans from Others (Refer note (4) below)	**4.27**	5.26
Preference shares (Refer note (6) below)	**233.95**	–
	238.22	5.27
TOTAL	**941.93**	758.39

Notes:

1) The term loan of USD 60.00 million (Previous year - USD 80.00 million) amounting to ₹ 415.25 crore (Previous year - ₹ 521.44 crore) is secured by first charge on pari passu basis on fixed assets, present and future, located at all locations other than Units at Baddi in Himachal Pradesh and Kadaiya in Daman. This term loan carries interest rate of 6 months USD LIBOR plus 325 BPS p.a. and is repayable in 12 equal quarterly instalments by January 2022.

2) The term loan of ₹ 175.00 crore (Previous year - ₹ 225.00 crore) from IDBI Bank is secured by first charge on pari passu basis on fixed assets, present and future, located at all locations other than Units at Baddi in Himachal Pradesh and Kadaiya in Daman. This term loan carries interest rate at Bank Base Rate plus 75 BPS p.a. and is repayable in 7 equal half yearly instalments by June 2022.

The term loan of ₹ 187.50 crore (Previous year - ₹ 237.50 crore) from Bank of Maharashtra ('BOM') is secured by first charge on pari passu basis on fixed assets, present and future, located at all locations other than Units at Baddi in Himachal Pradesh and Kadaiya in Daman.This term loan carries interest rate at One Year's MCLR plus 185 BPS p.a. and is repayable in 15 equal quarterly instalments by December 2022.

Further, the term loan of ₹ 200.00 crore (Previous year - ₹ Nil) from Bank of Baroda ('BOB') is secured by first charge on pari passu basis on fixed assets, present and future, located at all locations other than Units at Baddi in Himachal Pradesh and Kadaiya in Daman. This term loan carries interest rate at One year's MCLR plus 110 BPS p.a. and is repayable in 20 equal quarterly instalments by March 2024.

3) Interest free sales tax deferral loan is repayable in the month of May every year. This loan is repayable by May 2019.

4) Loans from others with interest rate of 3% p.a. is repayable in 10 equal annual installments. Loan amounting ₹ 0.19 crore (Previous year - ₹ 0.38 crore) is repayable by June 2019, ₹ 1.27 crore (Previous year - ₹ 1.70 crore) by October 2021 and balance ₹ 3.80 crore (Previous year - ₹ 3.80 crore) is repayable commencing from March 2020.

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

6) **Preference share**

i) **Details of preference share :**

	As at March 31, 2019 No. of Shares	As at March 31, 2019 ₹ in crore	As at March 31, 2018 No. of Shares	As at March 31, 2018 ₹ in crore
AUTHORISED				
Preference shares of ₹ 5/- each	**2,000,000,000**	**1,000.00**	2,000,000,000	1,000.00
ISSUED, SUBSCRIBED AND PAID UP				
Optionally Convertible Cumulative Redeemable Preference shares (OCCRPS) of ₹ 5/- each fully paid up :				
Shares outstanding as at the beginning of the year	**121,454,927**	**60.72**	121,454,927	60.72
Add: Shares issued during the year	–	–	–	–
Less: Shares redeemed during the year	**(121,454,927)**	**(60.72)**	–	–
Shares outstanding as at the end of the year	–	–	121,454,927	60.72
Non-Convertible Cumulative Redeemable Preference shares (NCRPS) of ₹ 5/- each fully paid up:				
Shares outstanding as at the beginning of the year	**475,659,941**	**237.83**	475,659,941	237.83
Add: Shares Issued during the year	–	–	–	–
Less: Shares redeemed during the year	**(315,659,941)**	**(157.83)**	–	–
Shares outstanding as at the end of the year (excluding redemption premium ₹ 16.00 crore)	**160,000,000**	**80.00**	475,659,941	237.83
Non-Convertible Non-Cumulative Redeemable Preference shares (NCCRPS) of ₹ 5/- each fully paid up:				
Shares outstanding as at the beginning of the year	–	–	–	–
Add: Shares issued during the year	**500,000,000**	**250.00**	–	–
Less: Shares redeemed during the year	–	–	–	–
Shares outstanding as at the end of the year	**500,000,000**	**250.00**	–	–

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

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

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

iv) Also during the year, the Company has extended the redemption period of 160,000,000, 0.01% Non-Convertible Cumulative Redeemable Preference Shares (NCRPS Series 5) held by the Promoter Group which were due for redemption on March 31, 2019 by a year i.e. upto March 31, 2020 with a right to earlier redemption by giving one month notice by either parties post June 30, 2019. Premium at 4% p.a. shall be payable for the extended period upto the date of redemption.

v) The Company has paid dividend of 0.01% (at the rate of ₹ 0.0005 per share of ₹ 5/- each) amounting to ₹ 218,556 on the preference shares redeemed during the year. Further subject to the approval of the Shareholders in the Annual General meeting, the Board also recommends dividend of :

- 0.01% (at the rate of ₹ 0.0005 per share of ₹ 5/- each) on the balance 160,000,000 Non-Convertible Cumulative Redeemable Preference Shares ('NCRPS Series 5') of ₹ 5/- each amounting to ₹ 80,000.
- 4% (at the rate of ₹ 0.055 per share of ₹ 5/- each) on the 500,000,000 Non-Convertible Non-Cumulative Redeemable Preference shares ('NCCRPS') of ₹ 5/- each amounting to ₹ 27,397,260 for the period commencing from date of allotment till March 31, 2019.

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

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Khorakiwala Holdings and Investments Private Limited	**160,000,000**	**100.00**	203,233,260	42.73
Indian Overseas Bank	–	–	104,563,437	21.98
Union Bank of India	–	–	74,397,151	15.64
Corporation Bank	–	–	50,929,498	10.71
Punjab National Bank	–	–	29,778,521	6.26

vii) **Details of NCCRPS held by each shareholders holding more than 5% of total NCCRPS:**

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Khorakiwala Holdings and Investments Private Limited	**100,000,000**	**20.00**	–	–
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.	**400,000,000**	**80.00**	–	–

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

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Indian Overseas Bank	–	–	39,888,348	32.84
Union Bank of India	–	–	31,884,492	26.25
Corporation Bank	–	–	21,826,928	17.97
Khorakiwala Holdings and Investments Private Limited	–	–	18,528,540	15.26
Punjab National Bank	–	–	9,326,619	7.68

17. PROVISIONS (Non-current)

	As at March 31, 2019 ₹ in crore	As at March 31, 2018 ₹ in crore
Provision for employee benefits (Refer note 39)		
Gratuity (unfunded)	**26.91**	23.54
Leave Encashment (unfunded)	**17.35**	29.58
TOTAL	**44.26**	53.12

18. INCOME TAX

(a) Tax recognised in profit or loss

	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2018 ₹ in crore
Current tax charge/(credit)	**–**	21.89
Deferred tax charge/(credit), net		
Origination and reversal of temporary differences including Minimum Alternate Tax (MAT) credit entitlement	**(68.89)**	9.34
Recoginition of previously unrecognised tax losses (net)	**(24.65)**	–
(Reduction)/Increase in tax rate	**–**	4.03
Deferred tax charge/(credit)	**(93.54)**	13.37
Tax charge/(credit) for the year	**(93.54)**	35.26

(b) Tax recognised in other comprehensive income

	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2018 ₹ in crore
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans -(charge)/credit	**0.66**	(0.29)
TOTAL	**0.66**	(0.29)

(c) Reconciliation of effective tax rate

	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2018 ₹ in crore
Profit/(Loss) before tax (a)	**(175.43)**	103.92
Tax using the Company's domestic tax rate (Current year 34.944% and Previous year 34.944%)	**(61.30)**	36.31
Non-deductible tax expenses	**10.67**	17.50
Incremental deduction allowed for research and development costs	**(18.26)**	(22.58)
Recoginition of previously unrecognised tax losses (net)	**(24.65)**	–
Impact of changes in tax rate during the year	**–**	4.03
Tax expense as per profit or loss (b)	**(93.54)**	35.26
Effective average tax rate for the year (b)/(a)	**53.32%**	33.93%

Note:

The effective tax rate for the year ended March 31, 2019 was impacted as a result of a weighted deduction on research and development expenses under Section 35(2AB) of the Income Tax Act, 1961. Further, based on clarification introduced in Finance bill, the brought forward losses pertaining to exempted unit are considered eligible for set off against taxable income and hence, the Company has recognised during the year deferred tax asset on such losses.

(d) Movement in deferred tax asset/(liabilities)

(₹ in Crore)

	Net balance April 01, 2018	Recognised in profit or loss	Recognised in Other Comprehensive Income	Recognised directly in equity	March 31, 2019		
					Net Deferred tax asset/ (liability)	Deferred tax asset	Deferred tax liability
Deferred tax asset/(liabilities)							
Property, Plant and Equipment	(243.27)	(2.01)	–	–	(245.28)	–	(245.28)
Tax losses	65.50	104.20	–	–	169.70	169.70	–
Loans and borrowings	0.14	(2.88)	–	–	(2.74)	–	(2.74)
Employee benefits	27.69	(5.58)	0.66	–	22.77	22.77	–
Guarantee fees	1.14	0.17	–	–	1.31	1.31	–
Allowance for credit loss	23.12	0.38	–	–	23.50	23.50	–
Other items	3.00	(0.74)	–	–	2.26	2.26	–
Tax assets/(Liabilities)	**(122.68)**	**93.54**	**0.66**	**–**	**(28.48)**	**219.54**	**(248.02)**
Minimum Alternate Tax (MAT) credit entitlement	167.03	–	–	–	167.03	167.03	–
Net tax assets/(Liabilities)	**44.35**	**93.54**	**0.66**	**–**	**138.55**	**386.57**	**(248.02)**

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

(₹ in Crore)

	Net balance April 01, 2017	Recognised in profit or loss	Recognised in Other Comprehensive Income	Recognised directly in equity	March 31, 2018		
					Net Deferred tax asset/ (liability)	Deferred tax asset	Deferred tax liability
Deferred tax asset/(liabilities)							
Property, Plant and Equipment	(240.39)	(2.88)	–	–	(243.27)	–	(243.27)
Tax losses	105.24	(39.74)	–	–	65.50	65.50	–
Loans and borrowings	(0.85)	0.99	–	–	0.14	0.14	–
Employee benefits	22.99	4.99	(0.29)	–	27.69	27.69	–
Guarantee fees	0.03	1.11	–	–	1.14	1.14	–
Allowance for credit loss	24.95	(1.83)	–	–	23.12	23.12	–
Other items	0.90	2.10	–	–	3.00	3.00	–
Tax assets/(Liabilities)	**(87.13)**	**(35.26)**	**(0.29)**	–	**(122.68)**	**120.59**	**(243.27)**
Minimum Alternate Tax (MAT) credit entitlement	145.14	21.89	–	–	167.03	167.03	–
Net tax assets/(Liabilities)	**58.01**	**(13.37)**	**(0.29)**	–	**44.35**	**287.62**	**(243.27)**

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, 2019 amounts to ₹ 167.03 crore (Previous year - ₹ 167.03 crore). The Company is reasonably certain of availing the said MAT credit in future years against the normal tax expected to be paid in those years.

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

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

Based on the clarification introduced in the Finance Bill, brought forward losses pertaining to exempted unit became eligible for set-off against the taxable income and hence the Company has recognised deferred tax on the total losses eligible for carry forward and set-off as on March 31, 2019

19. OTHER NON-CURRENT LIABILITIES

	As at March 31, 2019 ₹ in crore	As at March 31, 2018 ₹ in crore
Advance from Subsidiary against supplies	**497.27**	490.73
TOTAL	**497.27**	490.73

20. CURRENT FINANCIAL LIABILITIES-BORROWINGS

	As at March 31, 2019 ₹ in crore	As at March 31, 2018 ₹ in crore
SECURED		
Loans repayable on demand		
Working capital facilities from banks (Refer note (1) below)	**542.27**	378.34
	542.27	378.34
Other Loans		
Buyers' credit/Suppliers' credit (Refer note (2) below)	**19.44**	58.75
	19.44	58.75
TOTAL	**561.71**	437.09

Notes:

1) Working capital facilities from Banks are secured by way of :

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

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

2) Buyers' credit/ Suppliers' credit availed from ICICI Bank, and Bank of Baroda in current year (IDBI Bank and Yes Bank in previous year) are secured by way of first pari passu charge on the entire current assets and second pari passu charge on all fixed assets located at all locations other than Units at Baddi in Himachal Pradesh and Kadaiya in Daman. Further Buyers' credit availed from SBI during previous year were secured by way of first charge on the specific assets and by way of second charge on the entire current assets and second subservient charges on all fixed assets, present and future, located at all locations other than Units at Baddi in Himachal Pradesh and Kadaiya in Daman.

3) Refer Note 11 to Note 13 for carrying amount of current financial assets on which charge has been created.

21. TRADE PAYABLES

	As at March 31, 2019 ₹ in crore	As at March 31, 2018 ₹ in crore
Trade Payables:		
Outstanding dues of Micro enterprises and Small enterprises	**78.83**	19.73
Other Trade payables	**539.92**	426.06
TOTAL	**618.75**	445.79

DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS PER MSMED ACT, 2006:			
a)	Principal amount due to suppliers under MSMED Act, 2006	**78.83**	19.73
b)	Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	**3.80**	0.27
c)	Payment made to suppliers (other than interest) beyond the appointed day during the year	**102.19**	81.51
d)	Interest paid to suppliers under MSMED Act (Section 16)	**–**	–
e)	Interest due and payable towards suppliers under MSMED Act for payments already made	**9.84**	7.07
f)	Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (including interest mentioned in (e) above)	**13.64**	7.34

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

22. OTHER CURRENT FINANCIAL LIABILITIES

	As at March 31, 2019 ₹ in crore	As at March 31, 2018 ₹ in crore
Current maturities of long-term debt (Refer note 16)	**381.08**	577.78
Unpaid dividends	**1.91**	1.93
Other payables		
Security deposits	**19.68**	18.36
Employee liabilities	**59.82**	55.60
Payables for capital goods	**26.82**	21.38
Other liabilities	**46.25**	40.08
TOTAL	**535.56**	715.13

23. OTHER CURRENT LIABILITIES

	As at March 31, 2019 ₹ in crore	As at March 31, 2018 ₹ in crore
Payable for Statutory dues	**11.85**	18.80
Advance received from Customers/Subsidiary against supplies	**63.65**	80.41
TOTAL	**75.50**	99.21

24. PROVISIONS

	As at March 31, 2019 ₹ in crore	As at March 31, 2018 ₹ in crore
Provision for employee benefits (Refer note 39)		
Gratuity (unfunded)	**10.71**	10.84
Leave Encashment (unfunded)	**8.03**	14.84
	18.74	25.68
Other provisions		
Provision for sales return on date expiry (Refer note below)	**16.67**	15.96
TOTAL	**35.41**	41.64
Note:		
Movement of Provision for Sales return on date expiry:		
Opening Balance	**15.96**	14.82
Recognised during the year	**18.45**	20.68
Utilised during the year	**(17.74)**	(19.54)
Closing Balance	**16.67**	15.96

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

25. REVENUE FROM OPERATIONS (Refer note 41 and 42)

	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2018 ₹ in crore
Sale of products (Including excise duty)	**2,015.67**	2,017.62
Sale of services	**73.95**	62.24
Outlicensing fees	**2.94**	22.21
Sale of intellectual property	**38.95**	–
Assignment of New Chemical Entity	**–**	358.49
Other operating income - Export incentives	**18.44**	16.73
TOTAL	**2,149.95**	2,477.29

26. OTHER INCOME

	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2018 ₹ in crore
Interest Income	**12.33**	31.16
Dividend Received*	**–**	–
* ₹ 12,600 (Previous year - ₹ Nil)		
Other non-operating income (Refer note below)	**18.67**	25.69
TOTAL	**31.00**	56.85

Notes:

Other non-operating income includes :

(a) Liabilities no more payable of ₹ 1.06 crore (Previous year - ₹ 9.46 crore); and

(b) Guarantee fees ₹ 13.40 crore (Previous year - ₹ 14.00 crore) (Refer note 42)

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

	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2018 ₹ in crore
Opening Inventories		
Finished goods	**58.27**	151.76
Work-in-progress	**59.27**	69.19
Stock-in-trade	**69.71**	97.74
Less: Excise duty on opening stock	**–**	(4.35)
	187.25	314.34
Closing Inventories		
Finished goods	**(103.52)**	(58.27)
Work-in-progress	**(40.71)**	(59.27)
Stock-in-trade	**(37.99)**	(69.71)
Less: Excise duty on closing stock	**–**	–
	(182.22)	(187.25)
(Increase)/Decrease in Inventories	**5.03**	127.09

28. EMPLOYEE BENEFITS EXPENSE

	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2018 ₹ in crore
Salaries and wages (Refer note 39)	**434.00**	404.84
Contribution to provident and other funds (Refer note 39)	**22.06**	23.00
Share based payments to employees (Refer note 40)	**1.58**	6.60
Staff welfare expenses	**24.56**	72.00
TOTAL	**482.20**	506.44

29. FINANCE COSTS

	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2018 ₹ in crore
Interest expense		
on term loans	**71.45**	79.42
others	**94.38**	89.14
Other borrowing costs	**4.01**	2.42
Net Loss on foreign currency transactions and translation	**0.79**	5.72
	170.63	176.70
Less: Borrowing cost capitalised*	**–**	(7.12)
* weighted average capitalisation rate - Nil (Previous year - 10.62%)		
TOTAL	**170.63**	169.58

30. OTHER EXPENSES

	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2018 ₹ in crore
Travelling and conveyance	**80.14**	88.52
Freight and forwarding charges	**40.87**	43.58
Sales promotion and other selling cost	**62.28**	62.34
Commission on sales	**20.69**	24.77
Power and fuel	**68.30**	55.91
Stores and spare parts consumed	**22.51**	22.47
Chemicals	**23.86**	13.76
Rent (Refer note 34)	**98.24**	86.62
Rates and taxes	**1.50**	3.87
Repairs and maintenance		
– to Building	**5.89**	4.38
– to Plant and machinery	**17.22**	16.44
– to Others	**19.39**	17.53
Insurance	**10.06**	8.34
Legal and Professional Charges	**40.27**	38.87
Directors' sitting fees (Refer note 42)	**0.86**	0.83
Material for test batches	**3.50**	5.46
Equipment/Utility hire charges (Refer note 42)	**19.52**	19.57
Novation of Outlicensing Rights (Refer note 42)	**20.76**	–
Miscellaneous expenses (Refer note 32, 49 and 50)	**157.34**	153.83
TOTAL	**713.20**	667.09

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:

	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2018 ₹ in crore
Reconciliation of earnings		
Profit/(Loss) after tax	**(81.89)**	68.66
Add: Cumulative Dividend (including taxes on dividend) paid on preference shares pertaining to previous year	**0.04**	0.04
Less: Cumulative Dividend (including taxes on dividend, if any) payable on preference shares for current year	**(0.01)**	(0.04)
Net Profit/(Loss) for calculation of basic/diluted EPS	**(81.86)**	68.66
	No. of Shares	No. of Shares
Reconciliation of number of equity shares		
Weighted average number of shares in calculating Basic EPS	**110,663,343**	110,575,864
Add:		
Weighted average number of shares under ESOS	**575,699**	762,216
Weighted average number of shares under Optionally Convertible Cumulative Redeemable Preference shares (OCCRPS)	**–**	5,46,097
Weighted average number of equity shares in calculating diluted EPS	**111,239,042**	111,884,177
Earnings per share (face value ₹ 5/- each)		
Earnings per share - Basic in ₹	**(7.40)**	6.21
Earnings per share - Diluted in ₹	**(7.40)**	6.14

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

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

	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2018 ₹ in crore
Audit Fees	**0.74**	0.74
Tax Audit Fees*	**0.25**	0.16
Other services	**0.56**	0.52
Out of pocket expenses#	**0.03**	–
TOTAL	**1.58**	1.42

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

during the year ₹ 0.001 crore

33. SEGMENT REPORTING

As the Company's annual report contains both Consolidated and Standalone Financial Statements, segmental information is presented only on the basis of Consolidated Financial Statement.

34. LEASE

Operating Lease

The Company has taken land, industrial building and office premises on operating lease.

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

Land and industrial building taken on lease are for a period of 10 to 30 years and are renewable by mutual consent on mutually agreeable terms. There are no escalation in the lease amounts. There are no restrictions imposed by lease arrangements or contingent rent payable. Certain portion of the land has been subleased.

	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2018 ₹ in crore
Annual commitments for lease payments under non-cancellable operating leases are as follows:		
Less than one year	**67.56**	63.12
More than 1 year but less than five years	**–**	67.56
More than five years	**–**	–

Finance Lease

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

35. INFORMATION PERTAINING TO LOANS AND GUARANTEES GIVEN TO SUBSIDIARIES (INFORMATION PURSUANT TO REGULATION 34(3) OF SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECTION 186 (4) OF THE COMPANIES ACT, 2013):

(A) Loans and advances in the nature of loans to subsidiaries:

	Outstanding as at the beginning of the year ₹ in crore	Given during the year ₹ in crore	Adjusted/repaid during the year ₹ in crore	Closing at the end of the year ₹ in crore	Maximum amount outstanding during the year ₹ in crore	Purpose
Wockhardt Infrastructure Development Limited	–	–	–	**–**	–	General Corporate purpose
(Previous year)	9.22	11.83	(21.05)	–	10.06	

(B) Guarantees given to subsidiaries:

	As at March 31, 2019		As at March 31, 2018		Purpose
	USD in Million	₹ in crore	USD in Million	₹ in crore	
Wockhardt Bio AG	**300.00**	**2,076.23**	300.00	1,955.40	Against the loan taken by the subsidiary (Also Refer note 47)

	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2018 ₹ in crore
36. Capital expenditure on Research and Development	**3.00**	0.94

37. The aggregate amount of revenue expenditure incurred on Research and Development and charged to Statement of Profit and Loss is as under:

	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2018 ₹ in crore
Chemicals and consumables	**15.13**	19.79
Employee cost	**89.24**	98.87
Travelling expenses	**6.91**	7.59
Power and fuel	**16.95**	13.81
Repair and maintenance	**6.46**	3.95
Printing and stationery	**0.41**	0.51
Communication expenses	**0.59**	0.65
Clinical trial expenses	**8.14**	4.45
Analysis expenses	**1.42**	4.11
Legal and professional expenses	**0.98**	1.10
Other Research and Development expenses	**23.10**	34.24
TOTAL	**169.33**	189.07

38. Cost of materials consumed includes excise duty ₹ Nil (Previous year - ₹ 12.44 crore)

39. EMPLOYEE BENEFITS

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

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

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

(A) Defined benefit plans:			For the year ended March 31, 2019 Gratuity (Non-funded) ₹ in crore	For the year ended March 31, 2018 Gratuity (Non-funded) ₹ in crore
I		**Expenses recognised in Profit or Loss :**		
	1	Current Service Cost	**3.29**	3.29
	2	Interest cost	**2.47**	2.08
	3	Past service cost	**–**	1.77
		Total Expenses	**5.76**	7.14
II		**Expenses recognised in Other Comprehensive income:**		
	1	Actuarial changes arising from changes in demographic assumptions	**–**	–
	2	Actuarial changes arising from changes in financial assumptions	**0.39**	(0.42)
	3	Actuarial changes arising from changes in experience adjustments	**1.47**	0.14
		Total Expenses	**1.86**	(0.28)
III		**Net Asset/(Liability) recognised as at Balance Sheet date:**		
	1	Present value of defined benefit obligation	**37.62**	34.38
	2	Net Asset/(Liability)	**(37.62)**	(34.38)
IV		**Reconciliation of Net Asset / (Liability) recognised as at Balance Sheet date:**		
	1	Net Asset/(Liability) at the beginning of year	**(34.38)**	(31.19)
	2	Expense as per (I) and (II) above	**(7.62)**	(6.86)
	3	Benefits paid	**4.38**	3.67
	4	Net asset/(liability) at the end of the year	**(37.62)**	(34.38)

(A) Defined benefit plans:

				For the year ended March 31, 2019 Gratuity (Non-funded) ₹ in crore	For the year ended March 31, 2018 Gratuity (Non-funded) ₹ in crore
V	**Maturity profile of defined benefit obligation**				
	1	Within the next 12 months (next annual reporting period)		**10.71**	10.84
	2	Between 2 and 5 years		**22.22**	19.48
	3	Between 6 and 10 years		**9.60**	8.80
	4	Beyond 10 years		**3.16**	2.88
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	**(0.90)**	(0.79)
		(ii)	One percent point decrease in discount rate	**0.96**	0.84
		(iii)	One percent point increase in rate of salary increase	**0.91**	0.80
		(iv)	One percent point decrease in rate of salary increase	**(0.87)**	(0.77)
		(v)	One percent point increase in attrition rate	**(0.14)**	(0.12)
		(vi)	One percent point decrease in attrition rate	**0.14**	0.12
	2	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.			
VII	**Expected contributions to the plan for the next annual reporting period**			**10.79**	5.76
VIII	**Actuarial Assumptions:**				
	1	Discount rate		**6.76%**	7.18%
	2	Expected rate of salary increase		**8.00%**	8.00%
	3	Attrition rate		**26.00%**	26.00%
	4	Mortality		**Indian Assured Lives Mortality (2006-08) Ultimate**	Indian Assured Lives Mortality (2006-08) Ultimate

Notes:

a) Amount recognised as an expense in the Statement of Profit and Loss and included in Note 28 under "Salaries and wages": Gratuity ₹ 5.76 crore (Previous year - ₹ 7.14 crore) and Leave encashment ₹ -7.13 crore (Previous year - ₹ 21.35 crore)

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

c) The plan above is typically exposed to actuarial risk such as interest risk, Mortality risk, Asset Liability Matching risk (ALM) and salary risk

(i) Interest risk: The decrease in the interest rate linked to Gsec will increase the liability.

(ii) 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.

(iii) ALM risk: The plan faces the ALM risk as to the matching cash flow. The Company has to manage payout based on the pay as you go basis from own funds.

(iv) 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" ₹ 22.06 crore (Previous year - ₹ 23.00 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), and 223,500 options @ ₹ 5/- per option (Grant 7) in accordance with the provisions of Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014, to the selected employees of the Company and its subsidiaries. The method of settlement is by issue of equity shares to the selected employees who have exercised the options. The scheme shall be administered by the compensation committee of Board of directors.

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

Employee stock option activity under Scheme 2011 is as follows:

		For the year ended March 31, 2019	For the year ended March 31, 2018
a)	Outstanding at beginning of the year	**747,000**	883,125
b)	Granted during the year	**–**	–
c)	Lapsed during the year (re-issuable)	**91,950**	53,700
d)	Exercised during the year	**55,750**	82,425
e)	Outstanding at the end of the year :	**599,300**	747,000
	of which Options vested and exercisable at the end of the year	**381,000**	403,600
Range of weighted average share price on the date of exercise per share		**₹ 634.67 - ₹ 655.18**	₹ 584.96 - ₹ 742.02
Weighted average share price for the period		**574.05**	700.19
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 has been forfeited during the year or in the previous year.

	For the year ended March 31, 2019	For the year ended March 31, 2018
Net profit as reported in Statement of Profit and Loss (₹ crore)	**(81.89)**	68.66
Basic earnings per share as reported (₹)	**(7.40)**	6.21
Diluted earnings per share as reported (₹)	**(7.40)**	6.14
Fair value of the options have been computed as per the Black Scholes Pricing Model		
The key assumptions used to estimate the fair value of options are :		
Range of stock price at the time of option grant (₹ Per share)	**₹ 414 – ₹ 1,954.20**	₹ 414 – ₹ 1,954.20
Range of expected life	**1.50 years – 7.75 years**	1.50 years – 7.75 years
Range of risk free interest rate	**7.43% – 8.64%**	7.43% – 8.64%
Range of Volatility	**36% – 88%**	36% – 88%
Range of weighted average exercise price (₹ Per share)	**₹ 5.00 – ₹ 37.65**	₹ 5.00 – ₹ 37.65
Range of Weighted average remaining contractual life	**1.01 years – 8.03 years**	2.01 years – 9.03 years

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

41. REVENUE

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

As per the new Standard, the Company has classified its Revenue as:

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

Rebates, discounts, commissions and bonuses (including cash discounts offered to customers for prompt payment) are provisioned and recorded as deduction from revenue at the time the related revenue is recorded. These rebates are calculated based on the historical experience and the specific terms in individual agreements. Shelf stock adjustments which primarily cover the inventory held at the time the price decline becomes effective are recorded when the decline becomes effective. Sales returns are recognised and recorded as deductions based on historical experience of customer returns and such other relevant factors.

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

In accordance with the first time adoption options available in the said standard, the Company has chosen the "cumulative effect method" and applied retrospectively only to contracts that are not completed as at the date of initial application (i.e. April 01, 2018). Accordingly, the comparatives have not been restated in line with the provisions of the Standard.

The adoption of the standard did not have any material impact to the financial statements of the Company for the year.

42. RELATED PARTY DISCLOSURES

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

a) Parties where control /significant influence exists

Subsidiary Companies (including step down subsidiaries)

1 Wockhardt UK Holdings Limited (formerly, Wockhardt UK Limited)
2 CP Pharmaceuticals Limited
3 CP Pharma (Schweiz) AG
4 Wallis Group Limited
5 The Wallis Laboratory Limited
6 Wockhardt Farmaceutica Do Brasil Ltda
7 Wallis Licensing Limited
8 Wockhardt Infrastructure Development Limited
9 Z & Z Services (formerly esparma GmbH)
10 Wockhardt Europe Limited
11 Wockhardt Nigeria Limited
12 Wockhardt USA LLC (formerly Wockhardt USA Inc.)
13 Wockhardt UK Limited
14 Wockpharma Ireland Limited
15 Pinewood Laboratories Limited
16 Pinewood Healthcare Limited
17 Laboratoires Negma S.A.S. (formerly Negma Lerads S.A.S.)
18 Wockhardt France (Holdings) S.A.S.
19 Wockhardt Holding Corp
20 Morton Grove Pharmaceuticals, Inc.
21 MGP Inc.
22 Laboratoires Pharma 2000 S.A.S. (formerly Pharma 2000 S.A.S.)
23 Niverpharma S.A.S.
24 Negma Beneulex S.A.
25 Phytex S.A.S.
26 Wockhardt Farmaceutica SA DE CV
27 Wockhardt Services SA DE CV
28 Wockhardt Bio AG (formerly Wockhardt EU Operations (Swiss) AG)
29 Wockhardt Bio (R) LLC
30 Wockhardt Bio Pty Limited
31 Wockhardt Bio Limited
32 Wockhardt Medicines Limited (w.e.f March 25, 2019)

Other parties exercising control

Humuza Consultants *

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

Habil Khorakiwala Trust **

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

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

Enterprises over which Key Managerial Personnel exercise significant influence/control

The Peace Mission Private Limited (formerly Tohfaa Gifting Private Limited)
Palanpur Holdings and Investments Private Limited
Khorakiwala Holdings and Investments Private Limited
Dartmour Holdings Private Limited
Wockhardt Hospitals Limited
Amalthea Consultants
Lysithea Consultants
HNZ Consultants
Amalthea Discretionary Trust
Lysithea Discretionary Trust
HNZ Discretionary Trust
Merind Limited
Wockhardt Foundation
Carol Info Services Limited
Dr. Habil Khorakiwala Education and Health Foundation (Trust)-[Wockhardt Global School]
Dr. Habil Khorakiwala Education and Health Foundation (Section 25 Company)

Key managerial personnel

H.F. Khorakiwala - Chairman
Shekhar Datta - Non-Executive Independent Director (upto March 31, 2019)
Aman Mehta - Non-Executive Independent Director
D S Brar - Non-Executive Independent Director
Sanjaya Baru - Non-Executive Independent Director
Tasneem Mehta - Non-Executive Independent Director
Baldev Raj Arora - Non-Executive Independent Director
Vinesh Kumar Jairath - Non-Executive Independent Director
Zahabiya Khorakiwala - Non-Executive Non-Independent Director (w.e.f. October 30, 2017)
Huzaifa Khorakiwala - Executive Director
Murtaza Khorakiwala - Managing Director

Relatives of Key managerial personnel

N.H. Khorakiwala

c) Transactions with related parties during the year :

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

	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2018 ₹ in crore
Management and Technical fees [CP Pharmaceuticals Limited ₹ 0.24 crore (Previous year - ₹ 0.28 crore), Wockhardt UK Limited ₹. 0.60 crore (Previous year - ₹ 0.32 crore), Wockhardt USA LLC ₹ 0.33 crore (Previous year - ₹ 0.35 crore), Wockhardt Bio AG ₹ 5.62 crore (Previous year - ₹ 2.80 crore), Pinewood Laboratories Limited ₹ 1.41 crore (Previous year - ₹ 0.57 crore), Morton Grove Pharmaceuticals, Inc. ₹ 0.71 crore (Previous year - ₹ 0.90 crore)]	**8.91**	5.22
Sales [CP Pharmaceuticals Limited ₹ 1.28 crore (Previous year - ₹ 0.66 crore), Wockhardt Bio AG ₹ 217.19 crore (Previous year - ₹ 234.31 crore), Pinewood Laboratories Limited ₹ 41.05 crore (Previous year - ₹ 49.49 crore), Laboratoires Negma S.A.S. ₹ Nil (Previous year - ₹ 0.93 crore), Wockhardt Bio (R) LLC ₹ 13.11 crore (Previous year - ₹ 42.47 crore)]	**272.63**	327.86
Interest Income from Wockhardt Infrastructure Development Limited	**–**	0.27
Rent and Utility fees to Wockhardt Infrastructure Development Limited	**33.05**	35.81
Outlicensing fees income from Wockhardt Bio AG	**2.94**	22.21
Research and Development service income from Wockhardt Bio AG	**64.97**	56.61
Assignment of New Chemical Entity to Wockhardt Bio AG	**–**	358.49
Guarantee fees income from Wockhardt Bio AG	**14.63**	15.54
Land Premium to Wockhardt Infrastructure Development Limited	**0.03**	0.09
Purchase of fixed assets [Morton Grove Pharmaceuticals, Inc. ₹ Nil (Previous year - ₹ 10.82 crore), Wockhardt Bio AG ₹ 0.01 crore (Previous year - ₹ Nil)]	**0.01**	10.82
Expenses recovered [Morton Grove Pharmaceuticals, Inc. ₹ 0.49 crore (Previous year - ₹ 0.23 crore), Wockhardt USA LLC ₹ 0.03 crore (Previous year - ₹ 0.02 crore), Wockhardt Bio AG ₹ 0.80 crore (Previous year - ₹ 0.53 crore), Wockhardt Farmaceutica SA DE CV. ₹ Nil (Previous year - ₹ 0.02 crore), CP Pharmaceuticals Limited ₹ 0.02 crore (Previous year - ₹ 0.16 crore), Wockhardt UK Limited ₹ 0.13 crore (Previous year - ₹ 0.02 crore), Pinewood Laboratories Limited ₹ 0.07 crore (Previous year - ₹ 0.02 crore), Wockhardt Bio (R) LLC ₹ 0.03 crore (Previous year - ₹ 0.02 crore), Wockhardt Bio Pty Limited ₹ Nil (Previous year - ₹ 0.02 crore), Laboratoires Negma S.A.S. ₹ Nil (Previous year - ₹ 0.02 crore)]	**1.57**	1.06

	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2018 ₹ in crore
Reimbursement of expenses [Wockhardt Bio AG ₹ 0.54 crore (Previous year - ₹ 0.45 crore), CP Pharmaceuticals Limited ₹ 0.06 crore (Previous year - ₹ 0.21 crore), Wockhardt USA LLC ₹ Nil (Previous year - ₹ 0.01 crore), Wockhardt Bio (R) LLC ₹ 0.36 crore (Previous year - ₹ Nil)]	**0.96**	0.67
Commission to Wockhardt Bio (R) LLC	**–**	17.27
Purchase of raw material [CP Pharmaceuticals Limited ₹ 0.09 crore (Previous year - ₹ Nil), Pinewood Laboratories Limited ₹ Nil (Previous year - ₹ 0.63 crore)]	**0.09**	0.63
Sale of fixed assets to Wockhardt Bio AG	**1.65**	–
Investment in Equity shares of Wockhardt Medicines Limited	**0.05**	–
Novation of Outlicensing Rights charged by Wockhardt Bio AG	**20.76**	–
Loans/Advances given to Wockhardt Infrastructure Development Limited	**–**	11.83
Loans/Advances recovered from Wockhardt Infrastructure Development Limited	**–**	21.05
Advances Received against Export of Goods and Services from Wockhardt Bio AG	**187.54**	75.24
Advances adjusted against export of Goods and Services to Wockhardt Bio AG	**200.34**	139.74
Key managerial personnel		
Remuneration paid/payable [Chairman ₹ 2.80 crore (Previous year - ₹ 2.80 crore), Managing Director ₹ 2.40 crore (Previous year - ₹ 2.40 crore), Executive Director ₹ 2.40 crore (Previous year - ₹ 2.40 crore)]	**7.60**	7.60
Contribution to Provident fund [Chairman ₹ 0.32 crore (Previous year - ₹ 0.32 crore), Managing Director ₹ 0.27 crore (Previous year - ₹ 0.34 crore), Executive Director ₹ 0.27 crore (Previous year - ₹ 0.34 crore)]	**0.86**	1.00
Director sitting fee paid [Shekhar Datta ₹ 0.11 crore (Previous year - ₹ 0.12 crore), D S Brar ₹ 0.12 crore (Previous year - ₹ 0.12 crore), Sanjaya Baru ₹ 0.09 crore (Previous year - ₹ 0.09 crore), Tasneem Mehta ₹ 0.12 crore (Previous year - ₹ 0.12 crore), Baldev Raj Arora ₹ 0.14 crore (Previous year - ₹ 0.12 crore), Aman Mehta ₹ 0.12 crore (Previous year - ₹ 0.12 crore), Vinesh Kumar Jairath ₹ 0.14 crore (Previous year - ₹ 0.12 crore), Zahabiya Khorakiwala ₹ 0.02 crore (Previous year - ₹ 0.02 crore)]	**0.86**	0.83
Reimbursement of Expenses [D S Brar ₹ 0.01 crore (Previous year - ₹ 0.005 crore), Shekhar Datta ₹ Nil (Previous year - ₹ 0.02 crore), and Huzaifa Khorakiwala ₹ Nil (Previous year - ₹ 0.01 crore)]	**0.01**	0.04
Other parties exercising control		
Issue of Non-Convertible Non-Cumulative Redeemable Preference Shares (NCCRPS) to Humuza Consultants	**200.00**	–
Security deposit received from Humuza Consultants	**–**	0.01
Security deposit repaid to Humuza Consultants	**–**	0.01
Enterprise over which Key Managerial Personnel exercise significant influence/control		
Rent paid [Palanpur Holdings and Investments Private Limited ₹ 0.92 crore (Previous year - ₹ 0.92 crore), Wockhardt Hospitals Limited ₹ 0.72 crore (Previous year - ₹ 0.72 crore), Carol Info Services Limited ₹ 70.57 crore (Previous year - ₹ 66.20 crore)]	**72.21**	67.84
Contribution and reimbursement of expenses given to Wockhardt Foundation	**4.54**	4.67
Donation paid to Dr. Habil Khorakiwala Education and Health Foundation (Trust)	**0.34**	1.23
Reimbursement of Expenses [Wockhardt Hospitals Limited ₹ 0.09 crore (Previous year - ₹ 0.14 crore), Carol Info Services Limited ₹ 1.78 crore (Previous year - ₹ 1.78 crore), The Peace Mission Private Limited ₹ 0.56 crore (Previous year - ₹ 0.45 crore)]	**2.43**	2.37
Rent income [Wockhardt Hospitals Limited ₹ 0.03 crore (Previous year - ₹ 0.01 crore), Wockhardt Foundation ₹ 0.004 crore (Previous year - ₹ 0.01 crore), Dr. Habil Khorakiwala Education and Health Foundation (Trust) ₹ 0.003 crore (Previous year - ₹ 0.02 crore)]	**0.04**	0.04
Recovery of expenses from Wockhardt Hospitals Limited	**0.09**	0.49
Dividend paid to Khorakiwala Holdings and Investments Private Limited	**0.01**	0.01
Advance to Carol Info Services Limited	**5.05**	–
Advances recovered from Carol Info Services Limited	**5.05**	–
Issue of Non-Convertible Non-Cumulative Redeemable Preference Shares (NCCRPS) to Khorakiwala Holdings and Investments Private Limited	**50.00**	–
Redemption of Non-Convertible Cumulative Redeemable Preference Shares (NCRPS) issued to Khorakiwala Holdings and Investments Private Limited	**21.62**	–
Premium paid on Redemption of above Preference Shares	**7.69**	–
Redemption of Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) issued to Khorakiwala Holdings and Investments Private Limited	**9.26**	–
During the year, the Company has extended the redemption period of 160,000,000, 0.01% Non-Convertible Cumulative Redeemable Preference Shares of ₹ 5 each which were due for redemption on March 31, 2019 by a year i.e. upto March 31, 2020 with a right to earlier redemption by giving one month notice by either parties post June 30, 2019. Premium at 4% p.a. shall be payable for the extended period upto the date of redemption.		
During the year the Company has given school premises on lease to Wockhardt Global School without rent		

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, 2019 ₹ in crore	As at March 31, 2018 ₹ in crore
Receivable from subsidiary companies - net [Z&Z Services GmbH ₹ 0.08 crore (Previous year - ₹ 0.08 crore), Wockhardt Infrastructure Development Limited ₹ Nil (Previous year - ₹ 0.32 crore), Pinewood Laboratories Limited ₹ 26.75 crore (Previous year - ₹ 0.57 crore), Laboratoires Negma S.A.S. ₹ 0.62 crore (Previous year - ₹ 1.72 crore), Wockhardt Bio (R) LLC ₹ 29.07 crore (Previous year - ₹ 36.99 crore), Wockhardt Bio Pty Limited ₹ 0.02 crore (Previous year - ₹ 0.02 crore), Wockhardt Farmaceutica SA DE CV ₹ 5.16 crore (Previous year - ₹ 4.86 crore)]	**61.70**	44.56
Payable to subsidiary companies - net [CP Pharmaceuticals Limited ₹ 10.61 crore (Previous year - ₹ 11.66 crore), Wockhardt UK Limited ₹ 4.30 crore (Previous year - ₹ 4.72 crore), Wockhardt USA LLC ₹ 5.28 crore (Previous year - ₹ 5.68 crore), Morton Grove Pharmaceuticals, Inc. ₹ 10.52 crore (Previous year - ₹ 11.09 crore), Wockhardt Infrastructure Development Limited ₹ 17.48 crore (Previous year - ₹ Nil)]	**48.19**	33.15
Payable to Wockhardt Bio AG - net [Carrying amount ₹ 41.54 crore (Previous year - ₹ 148.48 crore)]	**38.59**	146.09
Security deposit given to Wockhardt Infrastructure Development Limited [Carrying amount ₹ 5.04 crore (Previous year - ₹ 4.67 crore)]	**16.85**	16.85
Security deposit given to Carol Info Services Limited [Carrying amount ₹ 30.21 crore (Previous year - ₹ 30.37 crore)]	**55.50**	55.50
Payable to Enterprises over which Key Managerial Personnel exercise significant influence/Control [Wockhardt Hospitals Limited ₹ 0.13 crore (Previous year - ₹ Nil), Carol Info Services Limited ₹ 1.09 crore (Previous year - ₹ 25.49 crore), Palanpur Holdings and Investments Private Limited ₹ 0.66 crore (Previous year - ₹ 0.08 crore), The Peace Mission Private Limited ₹ 0.01 crore (Previous year - ₹ Nil), Khorakiwala Holdings and Investments Private Limited ₹ 130.00 crore (Previous year - ₹ 110.88 crore)*, Humuza Consultants ₹ 200.00 crore (Previous year - ₹ Nil)]	**331.89**	136.45
[Carrying amount : Khorakiwala Holdings and Investments Private Limited ₹ 142.79 crore (Previous year - ₹ 121.64 crore), Humuza Consultants ₹ 187.16 crore (Previous year - ₹ Nil)]		
* Refer note 16(6)		
Receivable from Enterprises over which Key Managerial Personnel exercise significant influence/control [Wockhardt Hospitals Limited ₹ Nil (Previous year - ₹ 0.30 crore), Merind Limited ₹ 0.57 crore (Previous year - ₹ 0.57 crore), Wockhardt Foundation ₹ 0.01 crore (Previous year - ₹ 0.01 crore), Dr. Habil Khorakiwala Education and Health Foundation (Trust) ₹ 0.04 crore (Previous year - ₹ 0.04 crore)]	**0.62**	0.92
Security deposit given to Palanpur Holdings and Investments Private Limited	**2.75**	2.75
Corporate guarantees/comfort for financial assistance given on behalf of subsidiaries/step down subsidiaries - Refer note 46(h) and 47		

43. FINANCIAL INSTRUMENTS - FAIR VALUES

A. Accounting classification and fair values

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

(₹ in crore)

March 31, 2019	Carrying amount				Total Fair value
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised Cost	Total	Total
Financial Assets					
Investments	**0.45**	–	–	**0.45**	**0.45**
Other Non-Current Financial Assets	–	–	**80.88**	**80.88**	**84.02**
Trade receivables	–	–	**1,005.01**	**1,005.01**	**1,005.01**
Cash and cash equivalents	–	–	**177.07**	**177.07**	**177.07**
Bank balance (other than above)	–	–	**49.14**	**49.14**	**49.14**
Other Current Financial Assets	–	–	**19.72**	**19.72**	**19.72**
TOTAL	**0.45**	–	**1,331.82**	**1,332.27**	**1,335.41**
Financial Liabilities					
Borrowings	–	–	**1,503.64**	**1,503.64**	**1,503.64**
Trade payables	–	–	**618.75**	**618.75**	**618.75**
Other Financial Liabilities	–	–	**535.56**	**535.56**	**535.56**
TOTAL	–	–	**2,657.95**	**2,657.95**	**2,657.95**

(₹ in crore)

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

(₹ in crore)

March 31, 2018	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
Other Non-Current Financial Assets	–	–	74.43	74.43	79.73
Trade receivables	–	–	799.76	799.76	799.76
Cash and cash equivalents	–	–	67.83	67.83	67.83
Bank balance (other than above)	–	–	184.90	184.90	184.90
Other Current Financial Assets	–	–	5.95	5.95	5.95
TOTAL	0.45	–	1,132.87	1,133.32	1,138.62
Financial Liabilities					
Borrowings	–	–	1,195.48	1,195.48	1,195.48
Trade payables	–	–	445.79	445.79	445.79
Other Financial Liabilities	–	–	715.13	715.13	715.13
TOTAL	–	–	2,356.40	2,356.40	2,356.40

(₹ in crore)

March 31, 2018	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	–	79.73	–	79.73
Trade receivables	–	–	–	–
Cash and cash equivalents	–	–	–	–
Bank balance (other than above)	–	–	–	–
Other Current Financial Assets	–	–	–	–
TOTAL	–	79.73	0.45	80.18
Financial Liabilities				
Borrowings	–	1,195.48	–	1,195.48
Trade payables	–	–	–	–
Other Financial Liabilities	–	–	–	–
TOTAL	–	1,195.48	–	1,195.48

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	

44. FINANCIAL RISK MANAGEMENT

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

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

Risk management framework

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

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

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

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

The Company has a co-sourced model of independent Internal Audit and assurance function. There is a practice of reviewing various key select risks and report to Audit Committee from time to time. The co-sourced internal audit function carry out internal audit reviews in accordance with the approved internal audit plan and reviews the status of implementation of internal audit and assurance recommendations. Summary of Critical observations, if any, and recommendations under implementation are reported to the Audit Committee.

i. Credit risk

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

Trade and other receivables

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

As at March 31, 2019 and March 31, 2018, the Company did not have any significant concentration of credit risk with any external customers.

Expected credit loss assessment for customers as at March 31, 2019 and March 31, 2018:

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:

	As at March 31, 2019		As at March 31, 2018	
	Net carrying amount ₹ in crore	Weighted average loss rate	Net carrying amount ₹ in crore	Weighted average loss rate
Not due	**307.46**	**0.59%**	594.79	0.27%
Past due 1-180 days	**165.69**	**1.85%**	160.56	1.88%
Past due 181-360 days	**81.64**	**2.76%**	21.30	7.71%
More than 360 days	**450.22**	**11.76%**	23.11	72.11%
TOTAL	**1,005.01**		799.76	

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

	As at March 31, 2019 ₹ in crore	As at March 31, 2018 ₹ in crore
Opening balance	**66.15**	63.93
Impairment loss recognised	**9.80**	6.88
Impairment loss reversed	**(8.69)**	(4.66)
Closing balance	**67.26**	66.15

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

Cash and bank balances

The Company held cash and bank balances of ₹ 226.21 crore (Previous year - ₹ 252.73 crore). These balances are held with bank and financial institution counterparties with good credit rating.

Others

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

ii. Liquidity risk

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

The Company has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Company has access to funds from debt markets. The Company invests its surplus funds in bank fixed deposit.

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

(₹ in crore)

March 31, 2019		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)	987.64	1,143.03	352.80	790.23	–
Other borrowings (excluding preference shares)	24.86	25.54	20.54	2.93	2.07
Preference shares	329.95	373.85	103.10	270.75	–
Working capital loans from banks (repayable on demand)	542.27	542.27	542.27	–	–
Trade payables and other Current Financial Liabilities	773.23	773.23	773.23	–	–
TOTAL	**2,657.95**	**2,857.92**	**1,791.94**	**1,063.91**	**2.07**

Also issued financial guarantee of ₹ 2,076.23 crore for loan taken by its subsidiary which is repayable by January 2022 *

(₹ in crore)

March 31, 2018		Contractual cash flows			
	Carrying amount	To tal	0-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities					
Term loans from banks/Financial Institutions (including interest)	989.55	1,151.64	296.81	854.83	–
Other borrowings (excluding preference shares)	64.91	65.76	59.66	3.03	3.07
Preference shares	340.46	367.06	367.06	–	–
Working capital loans from banks (repayable on demand)	378.34	378.34	378.34	–	–
Trade payables and other Current Financial Liabilities	583.14	583.14	583.14	–	–
TOTAL	**2,356.40**	**2,545.94**	**1,685.01**	**857.86**	**3.07**

Also issued financial guarantee of ₹ 1,955.40 crore for loan taken by its subsidiary which is repayable by January 2022 *

* 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, 2019 and March 31, 2018 are as below:

Particulars	Currency	As at March 31, 2019		As at March 31, 2018	
		Amount in Foreign Currency (in million)	₹ in crore	Amount in Foreign Currency (in million)	₹ in crore
Loan Availed	EUR	**0.35**	**2.73**	2.21	17.79
	USD	**63.32**	**438.24**	87.29	568.99
Trade Receivables	ACU	**–**	**–**	0.08	0.55
	AUD	**0.02**	**0.09**	0.02	0.09
	CHF	**0.03**	**0.21**	0.03	0.21
	EUR	**5.70**	**44.26**	1.69	13.56
	GBP	**1.92**	**17.34**	1.49	13.62
	USD	**98.33**	**680.54**	85.84	559.50
	RUB	**273.34**	**29.27**	548.42	62.25
Loans and Other Receivables	USD	**6.09**	**42.18**	4.00	26.10
	CHF	**0.05**	**0.34**	–	–
Trade payables and Other Liabilities	ACU	**0.01**	**0.08**	0.01	0.08
	CHF	**–**	**–**	0.02	0.10
	EUR	**2.64**	**20.51**	1.50	12.01
	GBP	**2.24**	**20.20**	2.12	19.44
	JPY	**0.35**	**0.02**	15.29	0.94
	USD	**15.66**	**108.40**	13.25	86.39
	RUB	**7.57**	**0.81**	166.27	18.87
	SGD	**0.0002**	**0.001**	0.0002	0.001
	AUD	**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 ₹	Profit or loss before tax Gain/(Loss)		Equity, gross of tax Increase/ (Decrease)	
March 31, 2019	Strengthening of ₹	Weakening of ₹	Strengthening of ₹	Weakening of ₹
5 % movement				
USD	**(29.88)**	**29.88**	**(8.80)**	**8.80**
GBP	**0.14**	**(0.14)**	**0.14**	**(0.14)**
EUR	**(1.05)**	**1.05**	**(1.05)**	**1.05**
RUB	**(1.42)**	**1.42**	**(1.42)**	**1.42**
Others	**(0.02)**	**0.02**	**(0.02)**	**0.02**
TOTAL	**(32.23)**	**32.23**	**(11.15)**	**11.15**

(₹ in crore)

Effect in ₹	Profit or loss before tax Gain/(Loss)		Equity, gross of tax Increase/(Decrease)	
March 31, 2018	Strengthening of ₹	Weakening of ₹	Strengthening of ₹	Weakening of ₹
5 % movement				
USD	(22.91)	22.91	(4.49)	4.49
EUR	0.29	(0.29)	0.29	(0.29)
GBP	0.81	(0.81)	0.81	(0.81)
RUB	(2.17)	2.17	(2.17)	2.17
Others	0.01	(0.01)	0.01	(0.01)
TOTAL	(23.97)	23.97	(5.55)	5.55

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, 2019 ₹ in crore	As at March 31, 2018 ₹ in crore
Variable-rate instruments		
Financial liabilities	**1,529.91**	1,367.90
TOTAL	**1,529.91**	1,367.90
Fixed-rate instruments		
Financial liabilities	**354.81**	405.36
TOTAL	**354.81**	405.36

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)	
	For the year ended March 31, 2019 ₹ in crore	For the year ended March 31, 2018 ₹ in crore
100 bp increase	**(15.30)**	(13.68)
100 bp decrease	**15.30**	13.68

45. CAPITAL MANAGEMENT

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

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

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

The following table summarises the capital of the Company:

	As at March 31, 2019 ₹ in crore	As at March 31, 2018 ₹ in crore
Total liabilities	**1,884.72**	1,773.26
Less : Cash and cash equivalents and other bank balances	**226.21**	252.73
Adjusted net debt	**1,658.51**	1,520.53
Total equity	**1,226.63**	1,294.69
Adjusted equity	**1,226.63**	1,294.69
Adjusted net debt to adjusted equity ratio	**1.35**	1.17

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

(a) Demands by Central Excise authorities in respect of Classification/ Valuation/ Cenvat Credit related disputes; stay orders have been obtained by the Company in case of demands ₹ 44.62 crore (Previous year - ₹ 51.97 crore).

(b) Demand by Income tax authorities ₹ 114.77 crore (Previous year - ₹ 211.40 crore) disputed by the Company.

(c) Demand by Sales Tax authorities ₹ 90.83 crore (Previous year - ₹ 69.09 crore) disputed by the Company.

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

(e) Commercial dispute on a supply contract filed with London Court of International Arbitration disputed by the Company ₹ 45.10 crore (5 million GBP) [Previous year - ₹ 45.77 crore (5 million GBP)].

(f) Claims against Company not acknowledged as debt in respect of electricity expense ₹ 6.62 crore (Previous year - ₹ 6.17 crore) and remediation against the pollution of ground water ₹ 0.85 crore (Previous year - ₹ 0.85 crore).

(g) Demand from National Pharmaceutical Pricing Authority (NPPA) in respect of overcharging of certain products disputed by the Company ₹ 70.76 crore (Previous year - ₹ 71.96 crore).

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

(i) The Company is involved in other disputes, lawsuits, claims, inquiries and proceedings including commercial matters that arise from time to time in the ordinary course of business. The Company believes that there are no such pending matters that are expected to have any material adverse effect on its financial statements in any given accounting period.

(j) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 64.35 crore (Previous year - ₹ 30.93 crore) after deducting advance on capital account of ₹ 3.17 crore (Previous year - ₹ 5.46 crore).

47. The Company has given corporate guarantee of USD 300 million i.e. ₹ 2,076.23 crore (Previous year - USD 300 million i.e. ₹ 1,955.40 crore) on behalf of its subsidiary Wockhardt Bio AG for the loan of USD 187.50 million (₹ 1,297.64 crore) [Previous year - USD 250 million (₹ 1,629.50 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 (except Wockpharma Ireland Limited and its Subsidiaries and Wockhardt France (Holdings) S.A.S. and its Subsidiaries)

ii) First ranking charge on fixed assets of Wockhardt Limited situated at Kadaiya in Daman and Baddi in Himachal Pradesh and on Fixed Deposits of ₹ 45.00 crore (excluding interest) in India.

48. Reconciliation of the opening and closing balances of liabilities arising from Financing Activities:

(₹ in crore)

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

(₹ in crore)

Particulars	As at March 31, 2018	As at April 01, 2017	Non cash changes		Other items considered separately	Cash flows-inflow/ (Outflow)
			Exchange fluctuation	Fair value/Ind AS adjustments		
Long-term borrowings (Net)	1,336.17	(1,458.03)	(3.44)	(41.19)	0.68	(165.81)
Short-term borrowings (Net)	437.09	(661.86)	(6.22)	–	1.15	(229.84)

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

Prudent Electoral Trust ₹ Nil (Previous year - ₹ 6.00 crore).

50. As part of Corporate Social Responsibility (CSR) the Company is required to spend ₹ 0.62 crore during the year. As against this, the Company has made a payment of ₹ 4.21 crore (Previous year - ₹ 4.67 crore) to Wockhardt Foundation for spending on CSR activities. The aforesaid amount has been included in Note 30 under 'Miscellaneous expenses,' being contribution and other expenses (Also Refer note 42).

51. a) The Company's New Chemical Entity ('NCE') research program continued to progress in their Clinical Trials.

During the year 2018-19, Health Products Regulatory Authority, Ireland ('HPRA') and UK MHRA have carried out joint inspection of Shendra, Aurangabad facility of the Company. HPRA has granted GMP Certificate to Shendra, Aurangabad facility of the Company valid for a period of three years upto January 31, 2022. U. S. Food and Drug Administration ('USFDA') has carried out inspection of Bioequivalence Centre located at R&D Centre, Aurangabad and there was Nil observation (i.e. zero 483 observation).

b) Certain manufacturing facilities, having net book value of ₹ 200.20 crore and capital work in progress amounting to ₹ 353.25 crore, of the Company continues to be affected due to regulatory alert from USFDA. 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 its existing as well as facilities under progress to produce and supply products to US market. Efforts towards remediation and compliances measures to address the USFDA matters on these manufacturing facilities continue to be in place.

52. On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116 'Leases', Ind AS 116 will replace the existing leases Standard, Ind AS 17 'Leases', and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 01, 2019.

The Company continues to evaluate the impact of the New Lease Standard on the lease arrangements and shall determine the appropriate transition option once the said evaluation is completed.

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.

As per our attached report of even date

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

Bhavik L. Shah
Partner
Membership No. 122071

Place : Mumbai
Date : May 06, 2019

Narendra Singh
Company Secretary

Manas Datta
Chief Financial Officer

For and on behalf of the Board of Directors

H. F. Khorakiwala
Chairman
DIN: 00045608

Huzaifa Khorakiwala
Executive Director
DIN: 02191870

Murtaza Khorakiwala
Managing Director
DIN: 00102650

Zahabiya Khorakiwala
Non Executive Director
DIN: 00102689

Aman Mehta
DIN: 00009364

D. S. Brar
DIN: 00068502

Sanjaya Baru
DIN: 05344208

Tasneem Mehta
DIN: 05009664

Baldev Raj Arora
DIN: 00194168

Vinesh Kumar Jairath
DIN: 00391684

Directors

CONSOLIDATED FINANCIAL HIGHLIGHTS

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

Year-end Financial Position	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
Net Fixed Assets (incl. CWIP)	**4,504**	4,321	4,017	3845	3149	3024	2,523	3,506	3,468	3,237
Deferred Tax Assets/(Liabilities)	**242**	149	133	98	(53)	(7)	24	(101)	73	47
Investments	**–**	–	–	–	3	3	3	91	90	95
Total	**4,746**	4,470	4,150	3,943	3,099	3,020	2,550	3,496	3,631	3,379
Current Assets and other non current assets – (1)	**3,054**	3,658	4,831	4131	3788	3597	3,490	2,656	2,073	2,172
Current Liabilities and other non current liabilities – (2)	**1,434**	1,193	1,115	1157	1017	994	1,265	1,189	912	862
Net Current Assets	**1,620**	2,465	3,716	2,974	2,771	2,603	2,225	1,467	1,161	1,310
Sub-Total	**6,366**	6,935	7,866	6,917	5,870	5,623	4,775	4,963	4,792	4,689
Foreign Currency Translation Reserve	**(280)**	(268)	(171)	(301)	(145)	(197)	(2)	24	183	158
Profit & Loss Account	**–**	–	–	–	–	–	–	–	–	6
TOTAL CAPITAL EMPLOYED	**6,086**	**6,667**	**7,695**	**6,616**	**5,725**	**5,426**	**4,773**	**4,987**	**4,975**	**4,853**
Capital										
– Equity	**55**	55	55	55	55	55	55	55	55	55
– Preference	**–**	–	–	–	299	298	298	761	745	668
Total	**55**	55	55	55	354	353	353	816	800	723
Reserves	**2,339**	2,529	3,111	3419	3217	3031	2,349	679	326	112
NET WORTH	**2,394**	**2,584**	**3,166**	**3,474**	**3,571**	**3,384**	**2,702**	**1,495**	**1,126**	**835**
Minority Interest	**330**	346	382	465	144	136	–	–	–	–
Borrowings										
– Secured	**3,027**	3,391	3,843	2402	2004	1900	2,054	3,271	3,379	3,552
– Unsecured (Includes Preference Capital from FY 2014-15 onwards)	**335**	346	304	275	6	6	17	221	470	466
Total	**3,362**	3,737	4,147	2,677	2,010	1,906	2,071	3,492	3,849	4,018
TOTAL SOURCES	**6,086**	**6,667**	**7,695**	**6,616**	**5,725**	**5,426**	**4,773**	**4,987**	**4,975**	**4,853**
Summary of Operations (including discontinued operations)										
Sales	**4,158**	3,937	4,015	4453	4481	4830	5,721	4,614	3,751	4,501
Other Income	**21**	120	114	66	67	39	51	23	16	30
TOTAL INCOME	**4,179**	**4,057**	**4,129**	**4,519**	**4,548**	**4,869**	**5,772**	**4,637**	**3,767**	**4,531**
Material Consumed	**1,814**	1,797	1,662	1614	1488	1806	1,814	1,682	1,516	1,973
Personnel Cost	**937**	937	967	951	869	769	663	589	550	735
Other expenses	**1,272**	1,258	1,360	1379	1298	1276	1,128	903	776	970
EBITDA (Including other income)	**156**	65	140	575	893	1,018	2,167	1,463	925	853
Interest Expense (Including exchange fluctuation)	**290**	198	238	144	173	37	243	290	130	395
Depreciation	**166**	150	149	142	145	140	125	122	117	149
Profit/(Loss) Before Tax & Exceptional Items	**(300)**	(283)	(247)	289	575	841	1,799	1,051	678	309
Exceptional Items – loss/(gain)	**–**	358	–	–	–	(50)	(62)	474	574	1,295
PBT	**(300)**	**(641)**	**(247)**	**289**	**575**	**891**	**1,861**	**577**	**104**	**(986)**
Tax (Expense)/Credit	**83**	(26)	21	(38)	(162)	(48)	(266)	(235)	(8)	(16)
PROFIT AFTER TAX BEFORE SHARE OF PROFIT / (LOSS) OF ASSOCIATES AND MINORITY INTEREST	**(217)**	**(667)**	**(226)**	**251**	**413**	**843**	**1,595**	**342**	**96**	**(1,002)**
Share in Profit/(Loss) of Associate Companies	**–**	–	–	1	–	–	(1)	1	(5)	2
Minority Interest – Profit/(Loss)	**(22)**	(59)	(30)	(1)	(8)	(2)	–	–	–	–
PROFIT AFTER TAX AFTER SHARE OF PROFIT / (LOSS) OF ASSOCIATES AND MINORITY INTEREST	**(195)**	**(608)**	**(196)**	**251**	**405**	**841**	**1,594**	**343**	**91**	**(1,000)**
IMPORTANT RATIOS										
Current Assets : Liabilities – [(1)/(2)]	**2.13**	3.07	4.33	3.57	3.72	3.62	2.76	2.23	2.27	2.50
Debt : Total Equity	**1.12**	1.17	1.12	0.63	0.52	0.51	0.72	2.37	4.08	5.94
PBT/Turnover %	**(7.2%)**	(16.3%)	(6.2%)	6.5%	12.8%	18.4%	32.5%	12.5%	2.8%	(21.9%)
Return (PBIT) on Capital Employed %	**(0.2%)**	(6.4%)	(0.1%)	6.3%	12.7%	16.5%	44.1%	17.5%	4.9%	(12.6%)
No. of Equity Shares (in crore)	**11.07**	11.06	11.05	11.05	11.01	10.97	10.96	10.94	10.94	10.94
Dividend (per share)	**–**	–	10.00	–	20.00	10.00	5.00	–	–	–
Basic Earnings (per share)	**(17.58)**	(55.01)	(17.71)	22.71	36.81	76.6	145.6	31.3	8.3	(91.4)
Net Worth (per share)	**216.3**	233.6	286.5	314.4	324.3	308.5	246.6	136.6	102.9	76.3

NOTES:

1) The figures for 2009-10 are for 15 month period ended March 31, 2010.
2) The figures from FY 2015-16 onwards are as per Ind AS.

ANNEXURES TO BOARD'S REPORT

ANNEXURE I TO THE BOARD'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[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 statutory registers, papers, minute books, forms and returns filed with the ROC and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company, during the audit period covering the financial year ended on March 31, 2019, has prima facie complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the statutory registers, papers, minute books, forms and returns filed with the ROC and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

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

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

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

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

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

  a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

  Though the following laws are prescribed in the format of Secretarial Audit Report by the Government, the same were not applicable to the Company for the financial year ended 31st March, 2019:-

  a) The Securities and Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008;

  b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

  c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

  d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

  e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

(vi) I further report that, based on the Compliance Report of various Laws submitted by Department Heads of the Company, the Company has 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:

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

  b) Secretarial Standards 1 & 2 issued by the Institute of Company Secretaries of India.

During the period under review, I am of the opinion that the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that I have not examine 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, etc. For these matters, I rely on the report of statutory auditor's for Financial Statement for the year ended 31st March, 2019.

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

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

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

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

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

During the period under review, the Company has redeemed 121,454,927 Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS Series 2) of Face value of ₹ 5 each and 315,659,941 Non-Convertible Cumulative Redeemable Preference Shares (NCCRPS Series 2 and Series 3) of Face value of ₹ 5 each on due date of redemption i.e. 31st December, 2018. Further, the date of redemption of 160,000,000 0.01% Non-Convertible Cumulative Redeemable Preference Shares ('Preference Shares') has been extended for a period of 1 year i.e. from 31st March, 2019 to 31st March, 2020.

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

(i) Public/Rights/debentures/sweat equity, except
   a) allotment of Equity shares under Employee Stock Option scheme.
   b) allotment of 50,00,00,000 Nos. of 4% Non-Convertible Non-Cumulative Redeemable Preference Shares ('NCCRPS') of Face Value of ₹ 5/- each, at par, on preferential basis, for an aggregate amount of ₹ 250 Crore (Rupees Two Hundred Fifty Crore only) to Khorakiwala Holdings and Investments Pvt. Ltd. and Humuza Consultants, promoter group entities.

(ii) Buy-back of securities.

(iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013 which would have major bearing on the Company's affairs.

(iv) Merger/reconstruction etc.

(v) Foreign Technical Collaborations.

I further report that:

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. Where ever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
4. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Virendra Bhatt
ACS No – 1157
COP No – 124

Place : Mumbai
Date : 6th May, 2019

ANNEXURE II TO THE BOARD'S REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2019

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

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

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

Notes:

1. Wockhardt Ltd., the Company holds directly or indirectly 100% shareholding in all the subsidiaries except as mentioned in Note 2 below.
2. @ The Company holds 85.85% shareholding in the Wockhardt Bio AG which in turn holds 100% shareholding in these subsidiaries.
3. * The immediate Holding Company (i.e. Wockhardt Bio AG) has yet to infuse the share capital.

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

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1st April, 2018)				No. of Shares held at the end of the year (as on 31st March, 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual/HUF	887,625	0	887,625	0.80	887,625	0	887,625	0.80	0
(b) Central Govt.	0	0	0	0	0	0	0	0	0
(c) State Govt.(s)	0	0	0	0	0	0	0	0	0
(d) Bodies Corporates	70,297,757	0	70,297,757	63.55	70,297,757	0	70,297,757	63.51	(0.04)
(e) Banks/FIs	0	0	0	0	0	0	0	0	0
(f) Any Other									
i) Trust	10,800,000	0	10,800,000	9.76	10,800,000	0	10,800,000	9.76	0
Sub-total (A)(1)	**81,985,382**	**0**	**81,985,382**	**74.11**	**81,985,382**	**0**	**81,985,382**	**74.07**	**(0.04)**

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1st April, 2018)				No. of Shares held at the end of the year (as on 31st March, 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
(a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
(b) Other - Individuals	0	0	0	0	0	0	0	0	0
(c) Bodies Corporate	0	0	0	0	0	0	0	0	0
(d) Banks/FI	0	0	0	0	0	0	0	0	0
(e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**81,985,382**	**0**	**81,985,382**	**74.11**	**81,985,382**	**0**	**81,985,382**	**74.07**	**(0.04)**
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds	4,056,207	900	4,057,107	3.67	2,613,998	900	2,614,898	2.36	(1.31)
(b) Banks/FIs	70,566	500	71,066	0.06	134,940	500	135,440	0.12	0.06
(c) Central Govt.	0	0	0	0	0	0	0	0	0
(d) State Govt.(s)	0	0	0	0	0	0	0	0	0
(e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f) Insurance Companies	1,326,871	1,400	1,328,271	1.20	0	1,400	1,400	0.00	(1.20)
(g) FIIs	3,696	2,400	6,096	0.01	0	0	0	0	(0.01)
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i) Others (specify)									
Foreign Portfolio Investor	6,027,262	0	6,027,262	5.45	5,243,417	2,400	5,245,817	4.74	(0.71)
Foreign Company	0	0	0	0	0	0	0	0	0
Alternative Investment Fund	62,200	0	62,200	0.05	60,700	0	60,700	0.06	0.01
Foreign Bank	0	0	0	0	10,200	0	10,200	0.01	0.01
Sub-total (B)(1)	**11,546,802**	**5,200**	**11,552,002**	**10.44**	**8,063,255**	**5,200**	**8,068,455**	**7.29**	**(3.15)**
2. Non-Institutions									
(a) Bodies Corporate									
(i) Indian	1,491,914	19,043	1,510,957	1.37	2,415,041	19,043	2,434,084	2.20	0.83
(ii) Overseas	0	0	0	0	0	0	0	0	0
(b) Individuals									
(i) Individual Shareholders Holding nominal share capital upto ₹ 1 lakh	11,869,971	877,823	12,747,794	11.52	14,009,617	803,194	14,812,811	13.38	1.86
(ii) Individual Shareholders Holding nominal share capital in excess of ₹ 1 lakh	878,960	0	878,960	0.80	956,811	0	956,811	0.86	0.06
(c) NBFCs Registered with RBI	0	0	0	0	16,161	0	16,161	0.02	0.02
(d) Others (specify)									
(i) Non-Resident Indian (Repat)	834,821	2,700	837,521	0.76	804,094	2,700	806,794	0.73	(0.03)
(ii) Non-Resident Indian (Non-Repat)	183,662	2,400	186,062	0.17	207,714	2,400	210,114	0.19	0.02
(iii) Foreign Nationals	600	0	600	0	600	0	600	0	0.00

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1st April, 2018)				No. of Shares held at the end of the year (as on 31st March, 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(iv) Clearing Member	346,127	0	346,127	0.31	718,400	0	718,400	0.65	0.34
(v) Directors/ Relatives of Directors	57,600	0	57,600	0.05	57,600	0	57,600	0.05	0.00
(vi) Trusts	24,800	0	24,800	0.02	1,400	0	1,400	0.00	(0.02)
(vii) Hindu Undivided Family	502,648	0	502,648	0.45	617,591	0	617,591	0.56	0.11
Sub-total (B)(2)	**16,191,103**	**901,966**	**17,093,069**	**15.45**	**19,805,029**	**827,337**	**20,632,366**	**18.64**	**3.19**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**27,737,905**	**907,166**	**28,645,071**	**25.89**	**27,868,284**	**832,537**	**28,700,821**	**25.93**	**0.04**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**109,723,287**	**907,166**	**110,630,453**	**100.00**	**109,853,666**	**832,537**	**110,686,203**	**100.00**	**0.00**

Notes:

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

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1st April, 2018)			Shareholding at the end of the Year (as on 31st March, 2019)			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares#	
1.	Themisto Trustee Company Private Limited *	60,497,757	54.69	Nil	60,497,757	54.65	12,50,000	(0.04)
2.	Ananke Trustee Company Private Limited*	3,200,000	2.89	Nil	3,200,000	2.89	Nil	Nil
3.	Callirhoe Trustee Company Private Limited*	3,200,000	2.89	Nil	3,200,000	2.89	Nil	Nil
4.	Pasithee Trustee Company Private Limited*	3,400,000	3.07	Nil	3,400,000	3.07	Nil	Nil
5.	Themisto Trustee Company Private Limited **	5,400,000	4.88	Nil	5,400,000	4.88	Nil	Nil
6.	Ananke Trustee Company Private Limited**	1,800,000	1.63	Nil	1,800,000	1.63	Nil	Nil
7.	Callirhoe Trustee Company Private Limited**	1,800,000	1.63	Nil	1,800,000	1.63	Nil	Nil
8.	Pasithee Trustee Company Private Limited**	1,800,000	1.63	Nil	1,800,000	1.63	Nil	Nil
9.	Dr. H.F. Khorakiwala	442,785	0.40	Nil	442,785	0.40	Nil	Nil
10.	Dr. Huzaifa Khorakiwala	216,000	0.20	Nil	216,000	0.20	Nil	Nil
11.	Dr. Murtaza Khorakiwala	226,200	0.20	Nil	226,200	0.20	Nil	Nil
12.	Ms. Nafisa Khorakiwala	2,640	0.00	Nil	2,640	0.00	Nil	Nil
	Total	**81,985,382**	**74.11**	**Nil**	**81,985,382**	**74.07**	**12,50,000**	**(0.04)**

Notes:

1. * The shares held by the said companies in capacity as a Trustee of Trusts being partner in respective Partnership Firms.
2. ** The shares held by the said companies in capacity as a Trustee of respective Trusts.
3. # During the year, the Promoters have pledged 12,50,000 Equity Shares held in the Company.

(iii) Change in Promoters' Shareholding

During the financial year 2018-19, there was no change in Promoters' Shareholding other than minor changes in percentage due to increase in total paid up equity share capital of the Company. However during the year, the Promoters have pledged 12,50,000 Equity Shares held in the Company.

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (as on 1st April, 2018) / Date wise Increase/(Decrease) during the year		Cumulative shareholding during the year		Shareholding at the end of the year (as on 31st March, 2019)	
		No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of the Company
1	**Delaware Group Global and International Funds-Delaware Emerging Markets Fund**	**1,200,000**	**1.08**			**1,200,000**	**1.08**
	Date wise Increase /(Decrease)	Number	% age				
	Nil	Nil	Nil	Nil	Nil		
2	**Kotak Equity Arbitrage Fund ***	**246,600**	**0.22**			**652,500**	**0.59**
	Date wise increase /(Decrease)	Number	% age				
	16.04.2018 to 20.04.2018	6,300	0.01	252,900	0.23		
	30.04.2018 to 04.05.2018	14,400	0.01	267,300	0.24		
	07.05.2018 to 11.05.2018	(88,200)	(0.08)	179,100	0.16		
	14.05.2018 to 18.05.2018	(3,781)	(0.00)	175,319	0.16		
	21.05.2018 to 25.05.2018	(4,319)	(0.00)	171,000	0.15		
	28.05.2018 to 01.06.2018	81,900	0.07	252,900	0.23		
	04.06.2018 to 08.06.2018	9,000	0.01	261,900	0.24		
	11.06.2018 to 15.06.2018	14,400	0.01	276,300	0.25		
	30.06.2018 to 30.06.2018	(2,700)	(0.00)	273,600	0.25		
	02.07.2018 to 06.07.2018	(5,400)	(0.00)	268,200	0.24		
	09.07.2018 to 13.07.2018	(25)	(0.00)	268,175	0.24		
	16.07.2018 to 20.07.2018	(4,475)	(0.00)	263,700	0.24		
	23.07.2018 to 27.07.2018	27,900	0.03	291,600	0.26		
	06.08.2018 to 10.08.2018	29,700	0.03	321,300	0.29		
	13.08.2018 to 17.08.2018	3,600	0.00	324,900	0.29		
	20.08.2018 to 24.08.2018	112,500	0.10	437,400	0.40		
	03.09.2018 to 07.09.2018	13,500	0.01	450,900	0.41		
	10.09.2018 to 14.09.2018	(16,200)	(0.01)	434,700	0.39		
	17.09.2018 to 21.09.2018	(4,423)	(0.00)	430,277	0.39		
	29.09.2018 to 29.09.2018	(130,577)	(0.12)	299,700	0.27		
	01.10.2018 to 05.10.2018	55,800	0.05	355,500	0.32		
	08.10.2018 to 12.10.2018	(7,200)	(0.01)	348,300	0.31		
	15.10.2018 to 19.10.2018	35,100	0.03	383,400	0.35		
	22.10.2018 to 26.10.2018	(33,300)	(0.03)	350,100	0.32		
	29.10.2018 to 02.11.2018	60,300	0.05	410,400	0.37		
	26.11.2018 to 30.11.2018	56,700	0.05	467,100	0.42		
	03.12.2018 to 07.12.2018	17,100	0.02	484,200	0.44		
	10.12.2018 to 14.12.2018	17,100	0.02	501,300	0.45		
	24.12.2018 to 28.12.2018	(2,700)	(0.00)	498,600	0.45		
	31.12.2018 to 04.01.2019	2,700	0.00	501,300	0.45		
	21.01.2019 to 25.01.2019	46,800	0.04	548,100	0.50		
	28.01.2019 to 01.02.2019	13,500	0.01	561,600	0.51		
	11.02.2019 to 15.02.2019	50,400	0.05	612,000	0.55		
	18.02.2019 to 22.02.2019	10,800	0.01	622,800	0.56		
	25.02.2019 to 01.03.2019	(13,500)	(0.01)	609,300	0.55		
	04.03.2019 to 08.03.2019	12,600	0.01	621,900	0.56		
	11.03.2019 to 15.03.2019	32,400	0.03	654,300	0.59		
	25.03.2019 to 29.03.2019	(1,800)	(0.00)	652,500	0.59		

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (as on 1st April, 2018) / Date wise Increase/(Decrease) during the year		Cumulative shareholding during the year		Shareholding at the end of the year (as on 31st March, 2019)	
		No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of the Company
3	**DSP AIF Pharma Fund**	**578,452**	**0.52**			**566,181**	**0.51**
	Date wise Increase/(Decrease)	Number	% age				
	09.04.2018 to 13.04.2018	(27,901)	(0.03)	550,551	0.50		
	18.06.2018 to 22.06.2018	(83,550)	(0.08)	467,001	0.42		
	06.08.2018 to 10.08.2018	50,000	0.05	517,001	0.47		
	13.08.2018 to 17.08.2018	49,180	0.04	566,181	0.51		
4	**ISHARES Core Emerging Markets Mauritius CO**	**389,710**	**0.35**			**537,818**	**0.49**
	Date wise Increase/(Decrease)	Number	% age				
	02.04.2018 to 06.04.2018	3,822	0.00	393,532	0.36		
	09.04.2018 to 13.04.2018	3,276	0.00	396,808	0.36		
	16.04.2018 to 20.04.2018	4,641	0.00	401,449	0.36		
	23.04.2018 to 27.04.2018	2,730	0.00	404,179	0.37		
	04.06.2018 to 08.06.2018	80,177	0.07	484,356	0.44		
	18.06.2018 to 22.06.2018	(46,078)	(0.04)	438,278	0.40		
	16.07.2018 to 20.07.2018	40,122	0.04	478,400	0.43		
	23.07.2018 to 27.07.2018	23,162	0.02	501,562	0.45		
	30.07.2018 to 03.08.2018	15,745	0.01	517,307	0.47		
	06.08.2018 to 10.08.2018	3,015	0.00	520,322	0.47		
	27.08.2018 to 31.08.2018	3,685	0.00	524,007	0.47		
	03.09.2018 to 07.09.2018	5,580	0.01	529,587	0.48		
	29.09.2018 to 29.09.2018	8,030	0.01	537,617	0.49		
	01.10.2018 to 05.10.2018	2,736	0.00	540,353	0.49		
	29.10.2018 to 02.11.2018	93,450	0.08	633,803	0.57		
	05.11.2018 to 09.11.2018	4,411	0.00	638,214	0.58		
	12.11.2018 to 16.11.2018	29,372	0.03	667,586	0.60		
	19.11.2018 to 23.11.2018	13,662	0.01	681,248	0.62		
	26.11.2018 to 30.11.2018	7,038	0.01	688,286	0.62		
	03.12.2018 to 07.12.2018	114,932	0.10	803,218	0.73		
	10.12.2018 to 14.12.2018	1,413	0.00	804,631	0.73		
	17.12.2018 to 21.12.2018	942	0.00	805,573	0.73		
	07.01.2019 to 11.01.2019	14,816	0.01	820,389	0.74		
	14.01.2019 to 18.01.2019	9,260	0.01	829,649	0.75		
	21.01.2019 to 25.01.2019	(12,139)	(0.01)	817,510	0.74		
	28.01.2019 to 01.02.2019	(90,156)	(0.08)	727,354	0.66		
	04.02.2019 to 08.02.2019	(59,219)	(0.05)	668,135	0.60		
	11.02.2019 to 15.02.2019	(13,160)	(0.01)	654,975	0.59		
	18.02.2019 to 22.02.2019	(12,600)	(0.01)	642,375	0.58		
	25.02.2019 to 01.03.2019	(42,712)	(0.04)	599,663	0.54		
	04.03.2019 to 08.03.2019	(18,975)	(0.02)	580,688	0.52		
	11.03.2019 to 15.03.2019	(44,275)	(0.04)	536,413	0.48		
	18.03.2019 to 22.03.2019	562	0.00	536,975	0.49		
	25.03.2019 to 29.03.2019	843	0.00	537,818	0.49		
5	**Vanguard Total International Stock Index Fund**	**419,199**	**0.38**			**419,199**	**0.38**
	Date wise Increase/(Decrease)	Number	% age				
	Nil	Nil	Nil	Nil	Nil		

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (as on 1st April, 2018) / Date wise Increase/(Decrease) during the year		Cumulative shareholding during the year		Shareholding at the end of the year (as on 31st March, 2019)	
		No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of the Company
6	**Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds**	**647,283**	**0.59**			**391,162**	**0.35**
	Date wise Increase/(Decrease)	Number	% age				
	18.06.2018 to 22.06.2018	(110,520)	(0.10)	536,763	0.49		
	24.12.2018 to 28.12.2018	(145,601)	(0.13)	391,162	0.35		
7	**Finquest Securities Pvt Ltd ***	**—**	**0.00**			**340,800**	**0.31**
	Date wise Increase/(Decrease)	Number	% age				
	20.08.2018 to 24.08.2018	10,000	0.01	10,000	0.01		
	10.09.2018 to 14.09.2018	5,000	0.00	15,000	0.01		
	29.09.2018 to 29.09.2018	20,000	0.02	35,000	0.03		
	08.10.2018 to 12.10.2018	13,000	0.01	48,000	0.04		
	15.10.2018 to 19.10.2018	15,000	0.01	63,000	0.06		
	22.10.2018 to 26.10.2018	3,500	0.00	66,500	0.06		
	05.11.2018 to 09.11.2018	10,000	0.01	76,500	0.07		
	04.02.2019 to 08.02.2019	49,300	0.04	125,800	0.11		
	25.02.2019 to 01.03.2019	55,000	0.05	180,800	0.16		
	04.03.2019 to 08.03.2019	25,000	0.02	205,800	0.19		
	11.03.2019 to 15.03.2019	35,000	0.03	240,800	0.22		
	18.03.2019 to 22.03.2019	100,000	0.09	340,800	0.31		
8	**Emerging Markets Core Equity Portfolio (The Portfolio) of DFA Investment Dimensions group INC. (DFAIDG)**	**300,554**	**0.27**			**337,442**	**0.30**
	Date wise Increase/(Decrease)	Number	% age				
	21.05.2018 to 25.05.2018	67,407	0.06	367,961	0.33		
	17.12.2018 to 21.12.2018	(20,381)	(0.02)	347,580	0.31		
	24.12.2018 to 28.12.2018	(10,138)	(0.01)	337,442	0.30		
9	**Dimensional Emerging Markets Value Fund ***	**276,374**	**0.25**			**300,832**	**0.27**
	Date wise Increase/(Decrease)	Number	% age				
	28.01.2019 to 01.02.2019	10,527	0.01	286,901	0.26		
	11.02.2019 to 15.02.2019	13,931	0.01	300,832	0.27		
10	**HDFC Trustee Company Ltd - HDFC Equity Saving Fund**	**754,555**	**0.68**			**276,300**	**0.25**
	Date wise Increase/(Decrease)	Number	% age				
	09.04.2018 to 13.04.2018	(50,000)	(0.05)	704,555	0.64		
	16.04.2018 to 20.04.2018	(210,000)	(0.19)	494,555	0.45		
	04.06.2018 to 08.06.2018	(42,000)	(0.04)	452,555	0.41		
	11.06.2018 to 15.06.2018	(142,955)	(0.13)	309,600	0.28		
	02.07.2018 to 06.07.2018	33,300	0.03	342,900	0.31		
	06.08.2018 to 10.08.2018	(15,300)	(0.01)	327,600	0.30		
	17.09.2018 to 21.09.2018	(15,300)	(0.01)	312,300	0.28		
	10.12.2018 to 14.12.2018	(36,000)	(0.03)	276,300	0.25		

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (as on 1st April, 2018) / Date wise Increase/(Decrease) during the year		Cumulative shareholding during the year		Shareholding at the end of the year (as on 31st March, 2019)	
		No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of the Company
11	**Aditya Birla Sun Life Trustee Privet Ltd. a/c Aditya Birla Sun Life Arbitrage Fund #**	**1,071,600**	**0.97**			**236,700**	**0.21**
	Date wise Increase/(Decrease)	Number	% age				
	02.04.2018 to 06.04.2018	40,000	0.04	1,111,600	1.00		
	07.05.2018 to 11.05.2018	(4,500)	(0.00)	1,107,100	1.00		
	04.06.2018 to 08.06.2018	30,000	0.03	1,137,100	1.03		
	06.08.2018 to 10.08.2018	(7,200)	(0.01)	1,129,900	1.02		
	10.09.2018 to 14.09.2018	(67,300)	(0.06)	1,062,600	0.96		
	29.09.2018 to 29.09.2018	(257,700)	(0.23)	804,900	0.73		
	01.10.2018 to 05.10.2018	(225,000)	(0.20)	579,900	0.52		
	22.10.2018 to 26.10.2018	(308,357)	(0.28)	271,543	0.25		
	29.10.2018 to 02.11.2018	(34,843)	(0.03)	236,700	0.21		
12	**LIC of India Gratuity Plus Non Unit Fund #**	**1,326,946**	**1.20**			**75**	**0.00**
	Date wise Increase/(Decrease)	Number	% age				
	14.01.2019 to 18.01.2019	(369,247)	(0.33)	957,699	0.87		
	21.01.2019 to 25.01.2019	(300,210)	(0.27)	657,489	0.59		
	11.02.2019 to 15.02.2019	(222,077)	(0.20)	435,412	0.39		
	18.02.2019 to 22.02.2019	(94,000)	(0.08)	341,412	0.31		
	25.02.2019 to 01.03.2019	(151,815)	(0.14)	189,597	0.17		
	04.03.2019 to 08.03.2019	(189,522)	(0.17)	75	0.00		
13	**Government Pension Fund Global #**	**819,394**	**0.74**			**Nil**	**0.00**
	Date wise Increase/(Decrease)	Number	% age				
	21.05.2018 to 25.05.2018	(122,000)	(0.11)	697,394	0.63		
	18.06.2018 to 22.06.2018	(60,507)	(0.05)	636,887	0.58		
	30.06.2018 to 30.06.2018	(125,297)	(0.11)	511,590	0.46		
	16.07.2018 to 20.07.2018	(445,344)	(0.40)	66,246	0.06		
	23.07.2018 to 27.07.2018	(66,246)	(0.06)	—	—		

Notes:

1. The above increase/decrease is due to buy/sell transaction(s) as per weekly BENPOS.
2. * Represents shareholders not in the list of Top 10 shareholders as on 1st April 2018. However, the same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31st March, 2019.
3. # Represents shareholders that ceased to be in the list of Top 10 shareholders as on 31st March 2019 However, the same is reflected above since the shareholder was one of the Top 10 shareholders as on 1st April, 2018.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (as on 1st April, 2018)		Cumulative Shareholding during the year		Shareholding at the end of the year (as on 31st March, 2019)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	No. of shares	% of total share of the Company
a.	Dr. H. F. Khorakiwala, Chairman	442,785	0.40	442,785	0.40	442,785	0.40
b.	Mr. Shekhar Datta, Independent Director*	4,100	0.004	4,100	0.004	4,100	0.004
c.	Mr. Aman Mehta, Independent Director	2,500	0.002	2,500	0.002	2,500	0.002
d.	Mr. Davinder Singh Brar, Independent Director	500	0.0005	500	0.0005	500	0.0005
e.	Dr. Sanjaya Baru, Independent Director	500	0.0005	500	0.0005	500	0.0005

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (as on 1st April, 2018)		Cumulative Shareholding during the year		Shareholding at the end of the year (as on 31st March, 2019)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	No. of shares	% of total share of the Company
f.	Ms. Tasneem Mehta, Independent Director	Nil	Nil	Nil	Nil	Nil	Nil
g.	Mr. Baldev Raj Arora, Independent Director	Nil	Nil	Nil	Nil	Nil	Nil
h.	Mr. Vinesh Kumar Jairath, Independent Director	Nil	Nil	Nil	Nil	Nil	Nil
i.	Dr. Huzaifa Khorakiwala, Executive Director	216,000	0.20	216,000	0.20	216,000	0.20
j.	Dr. Murtaza Khorakiwala, Managing Director	226,200	0.20	226,200	0.20	226,200	0.20
k.	Ms. Zahabiya Khorakiwala, Non-Executive Non-Independent Director	Nil	Nil	Nil	Nil	Nil	Nil
l.	Mr. Manas Datta, Chief Financial Officer	Nil	Nil	Nil	Nil	Nil	Nil
m.	Mr. Narendra Singh, Company Secretary	Nil	Nil	Nil	Nil	Nil	Nil
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):		None					

Notes:

1. *Mr. Shekhar Datta, considering his age, decided not to seek re-appointment for 2nd term as an Independent Director of the Company and hence retired on 31st March, 2019 on completion of his term of appointment.

2. Ms. Rima Marphatia has been appointed as a Nominee Director on the Board of the Company effective 6th May, 2019. She does not hold any shares in the Company.

V. INDEBTEDNESS

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

(Amount in ₹ crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (i.e.,1st April, 2018)				
i) Principal Amount	1,426.65	346.61	Nil	1,773.26
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due [Refer Note 1]	–	–	–	–
Total (i+ii+iii)	**1,426.65**	**346.61**	**Nil**	**1,773.26**
Change in Indebtedness during the financial year 2018-19 [Refer Note 2]				
i) Addition	367.21	250.15	Nil	617.36
ii) Reduction	(244.51)	(261.39)	Nil	(505.90)
Net Change	**122.70**	**(11.24)**	**Nil**	**111.46**
Indebtedness at the end of the financial year (i.e., 31st March, 2019)				
i) Principal Amount	1,549.35	335.37	Nil	1,884.72
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due [Refer Note 1]	–	–	–	–
Total (i+ii+iii)	**1,549.35**	**335.37**	**Nil**	**1,884.72**

Note 1: Interest accrued but not due is included in principal amount as per Ind AS requirement and shall not be disclosed separately in Financial Statements.

Note 2: Addition/Reduction during the year includes Ind AS impact, impact of exchange fluctuation and interest accrued wherever applicable.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Amount in ₹ crore

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

Note: *The amount mentioned in ceiling is as per the approval accorded by the Shareholders of the Company by way of Special resolution passed through Postal ballot on 12th January, 2017.

B. Remuneration to other directors

Amount in ₹ crore

Sl. No.	Particulars of Remuneration	Name of Directors								Total Amount
		Mr. Shekhar Datta	Mr. Aman Mehta	Mr. Davinder Singh Brar	Dr. Sanjaya Baru	Ms. Tasneem Mehta	Mr. Baldev Raj Arora	Mr. Vinesh Kumar Jairath	Ms. Zahabiya Khorakiwala	
1.	Independent Directors • Fee for attending board/ committee meetings	0.11	0.12	0.12	0.09	0.12	0.14	0.14	N.A.	0.84
	• Commission • Others, please specify	Nil							N.A.	Nil
	Total (1)	0.11	0.12	0.12	0.09	0.12	0.14	0.14	N.A.	0.84
2.	Other Non-Executive Directors • Fee for attending board/ committee meetings	N.A.							0.02	0.02
	• Commission • Others, please specify	N.A.							Nil	Nil
	Total (2)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	0.02	0.02
	Total (B)=(1+2)	0.11	0.12	0.12	0.09	0.12	0.14	0.14	0.02	0.86
	Total Managerial Remuneration**									7.60
	Overall Ceiling as per the Act									7.60

Notes:

1 ** Total Managerial Remuneration consists of remuneration paid to Whole-time Directors of the Company as detailed in point VI A above. Independent Directors and Non-Executive Director have been paid only sitting fees during the year 2018-19.

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

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

Amount in ₹ lacs

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary	N.A.			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		60.06	238.24	298.30
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961		0.52	0.85	1.37
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961		Nil	Nil	Nil
2.	Stock Option		Nil	Nil	Nil
3.	Sweat Equity		NIL		
4.	Commission – as % of profit – others, specify...				
5.	Others, please specify				
	Total		**60.58**	**239.09**	**299.67**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors

Dr. H. F. KHORAKIWALA
Chairman
DIN: 00045608

ANNEXURE III TO THE BOARD'S REPORT

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

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

Date of Shareholders' approval	12th September, 2011
Total number of options approved under ESOS	25,00,000 options
Vesting requirements	Option granted would vest after the expiry of one year from the date of grant of options and not later than the expiry of 10 years from the date of grant of options
Exercise price or pricing formula	The exercise price shall be at such discount, if any, to the market price on the date of grant as may be decided by the ESOS Compensation Committee at the time of each grant and the price shall not be less than the face value of shares.
Maximum term of options granted	10 years from the date of grant of options
Source of shares	Primary
Variation in terms of options	Not Applicable
Method used to account for ESOS	Fair Value Method

Option movement during the year ended 31st March, 2019:

Sl. No.	Description	Wockhardt ESOS-2011
1	Number of options outstanding as on 1st April, 2018	7,47,000
2	Number of options granted during the year	Nil
3	Number of options forfeited /lapsed during the year	91,950
4	Number of options vested during the year	59,100
5	Number of options exercised during the year	55,750
6	Number of shares arising as a result of exercise of options	55,750 Equity Shares
7	Money realized by exercise of options (INR), if scheme is implemented directly by the company	₹ 2,78,750/-
8	Loan repaid by the Trust during the year from exercise price received	Not Applicable
9	Number of options outstanding as on 31st March, 2019	5,99,300
10	Number of options exercisable as on 31st March, 2019	3,81,000
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.	4 employees have been granted 1,30,000 Nos of Options
13	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil
14	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options during the year calculated in accordance with Accounting Standard (AS-20)	₹ (7.40)
15	Where the Company has calculated employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the Company	N.A.

Sl. No.	Description	Wockhardt ESOS-2011
16	Weighted Average Exercise Price and weighted average fair values of options disclosed separately for options whose exercise price either equals or exceeds or is less than market price of the stock	Weighted Average Exercise Price: Relating to Grant made in FY 2011-12: ₹ 37.65/- Relating to Grant made in FY 2012-13, 2014-15 & 2016-17: ₹ 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/-

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. 40 of Notes to Financial Statements.

For and on behalf of the Board of Directors

Dr. H. F. KHORAKIWALA
Chairman
DIN: 00045608

ANNEXURE IV TO THE BOARD'S REPORT

REPORT ON CSR ACTIVITIES/INITIATIVES

[Pursuant to Section 135 of the Companies Act, 2013 and Rules made thereunder]

1. **A brief outline of the Company's CSR policy, including overview of the projects or programs proposed to be undertaken and reference to the web-link to the CSR Policy and projects or programs.**

   Pursuant to the requirement of the Companies Act, 2013 and the Rules made thereunder, the Company has well framed CSR Policy and web link thereto is http://www.wockhardt.com/files/csr-policy.pdf

   The Company's CSR Policy aims at excellence through service to local communities wherein the Company operates with the involvement of employees. The focus areas for CSR are Healthcare, Education, Infrastructure development and Promoting social causes. Various CSR projects being undertaken as part of CSR activities are as under:

   a) **Mobile 1000** – The project aims at running mobile vans and provide free primary healthcare in rural areas all over India.

   b) **SHUDHU** – Shudhu is a Water Purification Tablets which provides clean drinking water to the masses. One Shudhu tablet purifies up to 20 litres of water in 30 minutes and prevents all communicable water borne diseases like Jaundice, Diarrhea, Dysentery, Cholera, Polio, Giardia etc.

   c) **E-Learning** – Promoting academic excellence in rural areas through quality and innovative teaching methods.

   d) **Khel Khel Mein** – Promoting values and good habits through fun and play in urban slum localities. Khel Khel Mein develops the child's spiritual and emotional quotient which in turn helps the holistic development. A transformation from the undesirable human development to a positive one by:

      - Teaching human values and good habits
      - Educational toys for the underprivileged children
      - Books for basic learning and reading
      - Inculcating civic sense

   e) **Adarsh Gram Yojna** – The project aims at adoption of village for its upliftment.

      The CSR activities are implemented through Wockhardt Foundation, CSR arm of the Company under visionary leadership of its Trustee & CEO, Dr. Huzaifa Khorakiwala. A robust implementation structure, monitoring process and a team of Programme Heads and Warriors are in place for each CSR Project.

2. **The Composition of the CSR Committee:** The CSR Committee comprises of:

   Dr. H. F. Khorakiwala, Chairman (Executive)
   Mr. Aman Mehta, Member (Independent Director)
   Mr. Davinder Singh Brar, Member (Independent Director)
   Dr. Huzaifa Khorakiwala, Member (Executive)

3. **Average Net Profit of the Company for last 3 financial years:** Average Net Profit of the Company for the last three financial years as per Section 198 of the Companies Act, 2013 was ₹ 30.80 crore.

4. **Prescribed CSR expenditure (2% of the amount as in item 3 above):** ₹ 0.62 crore

5. **Details of CSR spent during the financial year:**

   a) **Total amount to be spent for the financial year:** Pursuant to the provision of Section 135 of the Companies Act, 2013, the Company was required to spent ₹ 0.62 crore on CSR activities during FY 2018-19. However, as continuing corporate governance practice over the period, the Company has contributed an amount of ₹ 4.21 crore to Wockhardt Foundation, CSR arm of the Company, for spending on the CSR activities. Details of spending are provided in point (c) below:

   b) **Amount un-spent, if any:** Nil

c) **Manner in which the amount spent during financial year is detailed below:**

1	2	3	4	5	6	7	8
Sl. No	CSR project/ activity identified	Sector in which the Project is covered	Projects/Programs 1. Local area/others 2. Specify the state/ district where project/ programs was undertaken	Amount outlay (budget) project/ programs-wise (₹ in crore)	Amount spent on the project/ programs (₹ in crore) Sub-heads: 1. Direct expenditure on project/programs 2. Overheads:	Cumulative expenditure upto the reporting period (₹ in crore)	Amount spent: Direct/through implementing agency
1.	Mobile 1000	Health Awareness	Mumbai - 5 Vans Ankleshwar - 1 Van	1.25	1.25	1.25	Direct
2.	Shudhu	Water	Chennai	0.19	0.19	0.19	Direct
3.	E-Learning	Education	Maharashtra 40, Jaipur 10 Locations	0.45	0.45	0.45	Direct
4.	Khel Khel Mein	Education	Mumbai 10 locations	0.52	0.52	0.52	Direct
5.	Adarsh Gram Yojna	Health/ Education/ Sanitation	Abdimandi Village Maharashtra	1.80	1.80	1.80	Direct

6. **In case the Company has failed to spend the 2% of the Average Net Profit of the last 3 financial years or any part thereof, reasons for not spending the amount in its Board's Report:** Not applicable

The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with CSR objectives and Policy of the Company.

Dr. HUZAIFA KHORAKIWALA
Executive Director
DIN: 02191870

Dr. H. F. KHORAKIWALA
Chairman of CSR Committee
DIN: 00045608

ANNEXURE V TO THE BOARD'S REPORT

Form No. AOC–2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis:** NIL
2. **Details of material contracts or arrangements or transactions at arm's length basis:**

(a)	Name(s) of the related party and nature of relationship	Wockhardt Bio AG, Subsidiary of the Company
(b)	Nature of contracts/arrangements/transactions	Transfer or receipt of products, goods, materials, services etc.
(c)	Duration of the contracts/arrangements/transactions	Continuous basis
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	During the year 2018-19, 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 ₹ 716.99 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.
2. During the year under review, pursuant to Section 188(1) of the Companies Act, 2013 and Regulation 23 of the SEBI Listing Regulations, approval of the members of the Company was sought in relation to issue and allotment up to 100,00,00,000 (One Hundred Crore) 4% Non-Convertible Non-Cumulative Redeemable Preference Shares (NCCRPS) of face value of ₹ 5 each, in one or more tranches, aggregating up to ₹ 500 crore on a preferential basis to any one or a combination of the promoter group entities namely Humuza Consultants, Habil Khorakiwala Trust and Khorakiwala Holdings and Investments Private Limited (KHIPL) vide Postal Ballot on 14th December, 2018. In terms of said approval of the Shareholders, the Company has so far allotted 50 Crore NCCRPS of ₹ 5 each to Humuza Consultants and KHIPL.

For and on behalf of the Board of Directors

Dr. H. F. KHORAKIWALA
Chairman
DIN: 00045608

ANNEXURE VI TO THE BOARD'S REPORT

[Disclosure pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014]

(i) Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the year 2018-19:

Name of Director	Designation	Ratio of the remuneration of director to the median remuneration of the employees for the year 2018-19
Dr. H. F. Khorakiwala	Chairman	41.42:1
Mr. Shekhar Datta	Independent Director	1.63:1
Mr. Aman Mehta	Independent Director	1.78:1
Mr. Davinder Singh Brar	Independent Director	1.78:1
Dr. Sanjaya Baru	Independent Director	1.33:1
Ms. Tasneem Mehta	Independent Director	1.78:1
Mr. Baldev Raj Arora	Independent Director	2.07:1
Mr. Vinesh Kumar Jairath	Independent Director	2.07:1
Dr. Huzaifa Khorakiwala	Executive Director	35.51:1
Dr. Murtaza Khorakiwala	Managing Director	35.51:1
Ms. Zahabiya Khorakiwala	Non-Executive Director	0.30:1

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 2018-19, 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 2017-18, there is no increase in remuneration of the Chairman/Executive Director/ Managing Director during FY 2018-19.

The percentage increase in remuneration of (i) Mr. Manas Datta, Chief Financial Officer (CFO) of the Company is 130.77% and (ii) Mr. Narendra Singh, Company Secretary (CS) of the Company is 9% during FY 2018-19.

(iii) The percentage increase in the median remuneration of employees in the financial year: 8.33%

(iv) The number of permanent employees on the rolls of Company: 5,840 as on 31st March, 2019

(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 2018-19, 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 2017-18, there is no change in remuneration of the Chairman/Executive Director/ Managing Director during the FY 2018-19.

The increase in remuneration is based on the Company's market competitiveness in the comparator group as well as overall business performance of the Company. The performance pay is also linked to the organization performance and team performance apart from an individual performance.

Median salary of the employees other than managerial personnel has been increased by 8.33%.

It is hereby affirmed that the remuneration paid during the year 2018-19 is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Dr. H. F. KHORAKIWALA
Chairman
DIN: 00045608

ANNEXURE VII TO THE BOARD'S REPORT

Your Company operates in a safe and environmentally responsible manner for the long-term benefit of all stakeholders. The Company is committed to take appropriate measures to conserve energy and drive energy efficiency in its operations.

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under Rule 8 of the Companies (Accounts) Rules, 2014 are provided below:

(A) CONSERVATION OF ENERGY:

(1) Steps Taken or impact on Conservation of Energy

- Centralized UPS of higher Capacity replaced with smaller capacity department wise UPS
- Installed Wind 11 driven turbine roof ventilators to Service area.
- VFD installed in cooling water motor and interlocking done with line pressure transmitter
- Installation of addition DX system in Control sample room and Incubator room to switch off/shutdown the chiller during weekly off /non-productive hours.
- Automation of filter cleaning booth done to reduce compressed air consumption and improve the efficiency of filter cleaning process
- Phase wise replacement of old low efficiency motor with high efficiency motors
- Installed Magnolith on condenser line for Chiller efficiency improvement
- 50 CFM air compressor is being used during night shift and weekly off days instead of 225 CFM air compressor
- Compressed Air Booster Pump Installed on Tablet Block Service floor to boost the air pressure for packing lines, to cater the demand with one Compressor only instead of two Air Compressors
- CFL and HPMV Lamps replaced by LED lamps in phased manner
- Chilled water pressure Booster Pump installed
- RO, UF and Purified reject water used in cooling tower and boiler water use instead of raw water.
- Phase wise replacement of old low efficiency motor with high efficiency motors.
- VFD installed in pressure water pump
- Motion sensor installed on Air curtain to avoid continues operation
- Reduced Operational frequency of Air Handling units and achieve electrical unit saving by 3%.
- Extension of Chilled water Line From Central Utility to Inhaler Dosage Form (IDF) Facility
- Installation of Building Management System in IDF, its controlled on Dehumidifier Unit operation

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
- Replacement of direct expansion unit with chiller water cooling coil.

(3) The capital investment on energy conservation equipment

The investment on energy conservation equipment is ₹ 0.57 crore during the financial year 2018-19.

(B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

1. The efforts made towards technology absorption:

The Company sets target for technology improvement based on global competition criteria. Wockhardt scientists undertake specific time-bound programmes to improve technology, which has upscaled gradually until desired results are achieved at the manufacturing level. The Research scientists work in close relation with the manufacturing team to ensure smooth transfer of technology. Appropriate documents are created for quality control and this is monitored both by Wockhardt Quality Control Department and the Corporate Quality Assurance team.

2. Benefits derived like product improvement, cost reduction, product development or import substitution:

- Product quality improvement and better stability
- Cost reduction in an inflationary environment.
- Substitution of imported raw materials
- The development of several new products and line developments.
- Export of APIs and finished formulations.

The details of Research & Development have been provided in Management Discussion & Analysis forming part of this Annual Report.

3. Imported Technology (imported during the last 3 years reckoned from the beginning of the financial year):

The Company has not imported any technology.

4. The expenditure incurred on Research and Development:

₹ in crore

Particulars	Consolidated	Standalones
Capital	156.42*	3.00
Revenue	290.86	169.33
Total	**447.28**	**172.33**

* Includes Intangible Assets under development.

(C) FOREIGN EXCHANGE EARNINGS & OUTGO

During the year, the Foreign Exchange earnings was ₹ 626.19 crore and Foreign Exchange Outgo was ₹ 267.84 crore.

For and on behalf of the Board of Directors

Dr. H. F. KHORAKIWALA
Chairman
DIN: 00045608

ANNEXURE VIII TO THE BOARD'S REPORT

FORM AOC - 1

(Pursuant to first proviso to sub-section(3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014

Statement containing salient features of financial statement of subsidiaries/associate companies/joint ventures (Information in respect of each subsidiary to be represented with amount in ₹ Crore)

Part A "Subsidiaries"

Sr. No.	Name of the Subsidiary	The date since when subsidiary was acquired	Reporting currency	Exchange rate as on the last date of relevant financial year	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	1.0000	2.00	194.35	249.46	53.11	–	33.72	16.14	(0.01)	16.15	–	100.00
2.	Wockhardt Medicines Limited	25/3/2019	INR	1.0000	0.05	0.00	0.05	0.00	–	–	0.00	0.00	0.00	–	100.00
3.	Z&Z Services GmbH @	21/4/2004	EUR	77.6510	0.19	(1.57)	0.01	1.39	–	–	(0.04)	–	(0.04)	–	85.85
4.	Wockhardt Europe Limited	11/8/1999	GBP	90.2050	11.79	(2.79)	8.63	0.04	0.41	–	(0.02)	–	(0.02)	–	100.00
5.	Wockhardt Nigeria Limited	10/1/2006	USD	69.2075	0.55	(0.65)	0.11	0.21	–	–	(0.10)	–	(0.10)	–	100.00
6.	Wockhardt UK Holdings Limited	1/12/2003	GBP	90.2050	2.48	90.59	66.01	–	27.06	–	(0.02)	–	(0.02)	–	100.00
7.	CP Pharmaceuticals Limited @	1/12/2003	GBP	90.2050	21.95	115.26	510.32	373.11	–	333.57	(44.54)	(12.56)	(31.98)	–	85.85
8.	CP Pharma (Schweiz) AG @	1/12/2003	CHF	69.4780	1.74	(0.61)	1.15	0.02	–	–	(0.03)	–	(0.03)	–	85.85
9.	Wallis Group Limited	18/2/1998	GBP	90.2050	12.71	13.19	–	0.01	25.91	–	–	–	–	–	100.00
10.	The Wallis Laboratory Limited	18/2/1998	GBP	90.2050	0.04	(2.11)	–	2.07	–	–	(0.05)	–	(0.05)	–	100.00
11.	Wockhardt Farmaceutica do Brazil Ltda	28/1/2004	USD	69.2075	2.55	(3.23)	0.30	0.98	–	–	(0.48)	–	(0.48)	–	100.00
12.	Wallis Licensing Limited	18/2/1998	GBP	90.2050	–	(10.19)	26.10	36.29	–	–	–	–	–	–	100.00
13.	Wockhardt USA LLC @	26/2/2004	USD	69.2075	13.84	64.56	1,288.41	1,210.01	–	744.22	16.82	–	16.82	–	85.85
14.	Wockhardt Bio AG	17/10/2005	USD	69.2075	389.03	1,811.86	3,858.20	2,733.84	1,076.53	1,560.04	(229.63)	0.38	(230.01)	–	85.85
15.	Wockhardt UK Limited @	2/6/2006	GBP	90.2050	0.45	122.51	670.78	547.82	–	749.41	15.87	3.11	12.76	–	85.85
16.	Wockpharma Ireland Limited @	1/9/2006	EUR	77.6510	77.66	(25.19)	0.01	795.52	847.98	–	(23.52)	–	(23.52)	–	85.85
17.	Pinewood Laboratories Limited @	1/10/2006	EUR	77.6510	2.90	452.77	542.95	87.28	–	473.51	64.30	5.22	59.08	–	85.85
18.	Wockhardt Holding Corp @	17/10/2007	USD	69.2075	0.01	164.09	52.01	174.91	287.00	–	(3.18)	–	(3.18)	–	85.85
19.	Morton Grove Pharmaceuticals Inc @	23/10/2007	USD	69.2075	236.41	299.36	674.94	166.88	27.71	375.91	26.54	12.75	13.79	–	85.85
20.	MGP Inc @	23/10/2007	USD	69.2075	–	23.21	136.09	112.88	–	63.95	4.85	–	4.85	–	85.85
21.	Wockhardt France (Holdings) S.A.S @	9/5/2007	EUR	77.6510	466.68	(934.72)	3.30	635.21	163.87	0.20	(149.94)	(2.68)	(147.26)	–	85.85
22.	Laboratoires Pharma 2000 S.A.S @	17/5/2007	EUR	77.6510	1.42	(27.01)	8.79	34.38	–	1.41	4.05	–	4.05	–	85.85
23.	Laboratoires Negma S.A.S @	17/5/2007	EUR	77.6510	224.17	(60.30)	181.30	17.73	0.30	47.84	(86.58)	2.66	(89.24)	–	85.85
24.	Niverpharma S.A.S @	17/5/2007	EUR	77.6510	1.24	(29.36)	3.34	31.46	–	0.25	(0.33)	–	(0.33)	–	85.85
25.	Negma Beneulex S.A @	17/5/2007	EUR	77.6510	0.58	(0.44)	0.14	–	–	–	(0.39)	–	(0.39)	–	85.85
26.	Phytex S.A.S @	17/5/2007	EUR	77.6510	8.32	(7.73)	0.61	0.02	–	–	(0.02)	–	(0.02)	–	85.85
27.	Wockhardt Farmaceutica SA DE CV @	21/6/2012	USD	69.2075	19.97	(142.33)	10.37	132.73	–	5.01	(18.05)	–	(18.05)	–	85.85

Sr. No.	Name of the Subsidiary	The date since when subsidiary was acquired	Reporting currency	Exchange rate as on the last date of relevant financial year	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/ (Loss) before taxation	Provision for taxation	Profit /(Loss) after taxation	Proposed dividend	Extent of shareholding (in percentage)
28.	Wockhardt Services SA DE CV @	17/12/2012	USD	69.2075	0.03	(1.94)	7.49	9.40	–	–	(0.01)	–	(0.01)	–	85.85
29.	Pinewood Healthcare Limited @	1/10/2006	GBP	90.2050	0.90	(0.84)	0.08	0.02	–	–	(0.06)	–	(0.06)	–	85.85
30.	Wockhardt Bio (R) @	25/8/2015	RUB	1.0710	0.55	(1.88)	34.97	36.30	–	40.83	(0.85)	0.61	(1.46)	–	85.85
31.	Wockhardt Bio Pty Ltd @	19/8/2015	AUD	49.0060	0.05	1.09	14.08	12.94	–	6.83	0.08	0.05	0.03	–	85.85
32.	Wockhardt Bio Ltd # @	11/11/2015	USD	69.2075	–	–	–	–	–	–	–	–	–	–	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, incorporated on 25th March, 2019 and Wockhardt Bio Ltd. 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

Huzaifa Khorakiwala
Executive Director
DIN: 02191870

Murtaza Khorakiwala
Managing Director
DIN: 00102650

Zahabiya Khorakiwala
Non Executive Director
DIN: 00102689

Aman Mehta
DIN: 00009364

D. S. Brar
DIN: 00068502

Sanjaya Baru
DIN: 05344208

Tasneem Mehta
DIN: 05009664

Baldev Raj Arora
DIN: 00194168

Vinesh Kumar Jairath
DIN: 00391684

Directors

Narendra Singh
Company Secretary

Manas Datta
Chief Financial Officer

Place : Mumbai
Date : May 06, 2019

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, 2019 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, 2018 - 31st March, 2019
7.	Sector(s) that company is engaged in (industrial activity code-wise)	NIC Code : 21002 Description : Pharmaceuticals
8.	List three key products/services that the Company manufactures/ provides (as in balance sheet)	a. Active Pharmaceutical Ingredients ('APIs') b. Formulations c. Bio-similars d. Vaccines
9.	Total number of locations where business activity is undertaken by the Company	**Number of International locations** Seven - Switzerland, USA (Illinois & New Jersey), UK, Ireland, France 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) : 385.34 crore
2. Total Turnover (INR) : 2,150 crore
3. Total Profit after Taxes (INR) : (82) crore
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) : 13.6%.

   Actual spent on CSR activities during the year is ₹ 4.21 crore, whereas average net profit for last three financial years was ₹ 30.80 crore.

   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

- Education
- 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 2019, 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 works closely 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 P1	Product Life cycle Sustainability P2	Welfare of Employees P3	Stakeholder Engagement P4	Human Rights P5	Environment P6	Public Policy P7	CSR P8	Value to customers P9
1	Do you have a policy/policies for...	Y	Being a pharma company, it is always ensured that its products are safe and focuses on optimal utilisation of resources.	Y	Y	Y	Y	The Company is member of various professional/ trade bodies etc. through which areas of concern or importance are articulated for taking at appropriate forum.	Y	The Company in its operations ensure customer value through its product design and labelling etc. However, no need has been felt to formulate a specific Policy for the same.
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y		Y	Y	Y	Y		Y	
3	Does the policy conform to any national/ international standards? If yes, specify? #	Y		Y	Y	Y	Y		Y	
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/CEO/appropriate Board of Director?	Y		Y	Y	Y	Y		Y	
5	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y		Y	Y	Y	Y		Y	
6	Indicate the link for the policy to be viewed online?	* @		* @	@	@	@		*	
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y		Y	Y	Y	Y		Y	
8	Does the Company have in-house structure to implement the policy/ policies?	Y		Y	Y	Y	Y		Y	
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y		Y	Y	Y	Y		Y	
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y		Y	Y	Y	Y		Y	

* http://www.wockhardt.com/investor-connect/policies.aspx

@ Internal Portal accessible to all the employees of the Company.

The Policies are broadly based on the National Voluntary Guidelines on social, environment and economical responsibilities of business issued by the Ministry of Corporate Affairs.

(b) If answer to Sl. No 1 against any principle, is 'No', please explain why:

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 2018-19; 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 accordance with the Company's philosophy of promoting ethical conduct and practices throughout the organization for enhancing stakeholders' value, the Board of Directors of the Company have laid down a "Code of Business Conduct and Ethics for Board of Directors and Senior Management" ('Code'). The Code requires every Board member and Senior Management Personnel to adhere the highest standards of professionalism, honesty and integrity along with impartiality, fairness and equity.

   In addition to above, 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.

   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.**

   During the year under review, 4 complaints were received from the Company's equity shareholders. The complaints involved issues which includes non-receipts of dividend warrant/bonus certificate/ rejected DRF. There was no complaint pending as on 31st March, 2019. The statement providing the details of investor complaints are also disseminated to the Stock Exchanges on a quarterly basis.

   Apart from this, there were 841 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 797 letters were replied/resolved as on 31st March, 2019. The pending 44 request were received at the end of March, 2019 and the same were replied/resolved in April, 2019.

   Status of customers' complaints as on 31st March, 2019 was as under:

Sl. No.	Particulars	Nos.
1.	At the beginning of the year on 1st April, 2018	9
2.	Received during the year	73
3.	Resolved during the year	69
4.	Pending as on 31st March, 2019	13

   3 Nos. of complaints received from employees have also been addressed.

Principle 2:

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   The following products have helped to address environmental concerns:

   - Aceproxyvon tablet
   - Zedex and Brozedex Syrup
   - Practin 4mg tablet

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?

   Continuous 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, thus became an important step for positive impact on environment.

Yield/ packaging improvement and time/ water saving has been done for few products. Details of said improvement done for above mentioned three Products are as follows:

- Aceproxyvon tablet - Yield has been improved by 0.4%
- Zedex and Brozedex Syrup - Due to implementation of shrink wrap packaging bottle per shipper increased from 60 to 70 bottle resulting in saving of transportation cost and saving of 10 mandays per batch.
- Practin 4mg tablet - Compression machine Turret changed from 45D to 75BB resulted in reduction of operation time by 10 hrs.

Further, the Company conducts its activities in such a manner as to protect the environment, interests of employees and general public. The Company monitors its efforts for sustainable use of resources in manufacturing and is committed to optimum utilisation of all resources.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

During the process of registering or approving any supplier or vendor, the Procurement Team of the Company secures access to relevant documents to verify the pre-requisites and all compliances as required by law. In case of API or key raw material suppliers, Quality Assurance Team visits their premises to evaluate their delivery capabilities and quality processes. The Company deploys sustainable sourcing process with awareness towards environment, health & safety, human rights and key social compliances. The activities relating to sustainable sourcing are also detailed hereunder:

Finished product Manufacturing site

The Company performs Audit of manufacturing site to ensure compliance with regulatory guidelines such as Schedule M, WHO GMP etc. It is ensured that all activities related to manufacturing, packaging, quality control, dispatch of products, quality systems & documents are in place and complying as per regulations. Quality audit also covers areas like Water system, Utilities, Effluent treatment plant and scrap yard.

The Company also conducts Training programmes for employees of Vendors for Good Manufacturing Practices, Cleaning and personal hygiene, Good Documentation practices, Safety etc.

Warehouse and CFA

Under Contract Manufacturing/Management System, the Company have quality audit team which not only conducts quality audit at all CFA & central hub locations but also undertakes annual training programme to ensure knowledge sharing on issues relating to GDP etc. are understood by the key participants nominated by CFAs. Apart from this, CFAs are also encouraged to have their own training sessions to impart knowledge on key operational issues.

Analytical Laboratory

The Company performs Audit of Analytical Laboratory to check Compliance with Good laboratory practices and evaluate that all activities related to testing & identification of drugs are as per regulations. It is also checked that all required Safety equipment/measures are available in laboratory and documents are maintained as per required standards.

The Company conducts Training Session for employees on Good Laboratory Practices, Good Documentation practices, Safety etc.

4. **Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work?**

If yes, what steps have been taken to improve the capacity and capability of local and small vendors?

The Company being into pharmaceuticals business operates in a stringent regulatory framework for its products and services. The Company follow strict sourcing procedures for its APIs, raw materials, packing materials, other chemicals etc. considering the requirements of applicable manufacturing and quality processes. Over the period, the Company has long and strong business relations with regular vendors and tries to encourage sourcing of the goods and services from appropriate vendors including local and small, wherever applicable. Most of the packaging materials are sourced within the close proximity of manufacturing sites.

5. **Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste? (Separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

The Company has a mechanism to recycle or dispose material including waste in an authorised manner, wherever possible. The wastes generated from the operations are segregated into recyclable (RC), non-recyclable (NRC) and non-recyclable non-biodegradable (NRCNB).

Wherever possible, efforts are made to convert NRC and NRCNB wastes to RC by finding industries that can use these wastes as raw materials.

Principle 3:

Sl. No.	Particulars		Details
1	Please indicate the Total number of employees		5,840
2	Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.		993
3	Please indicate the Number of permanent women employees		336
4	Please indicate the Number of permanent employees with disabilities		4
5	Do you have an employee association that is recognized by management		Yes. The Company has recognized employee associations at Aurangabad & Ankleshwar.
6	What percentage of your permanent employees is members of this recognized employee association?		About 1.96%
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year		
	Category	**No of complaints filed during the financial year**	**No of complaints pending as on end of the financial year**
	Child labour/forced labour/ involuntary labour	Nil	Nil
	Sexual harassment	Nil	Nil
	Discriminatory employment	Nil	Nil
8	What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?*		
	a) Permanent Employees		100%
	b) Permanent Women Employees		100%
	c) Casual/Temporary/Contractual Employees		100%
	d) Employees with Disabilities		100%

Note: *At all the manufacturing sites, all the Employees have to undergo safety training without that they cannot start their work.

Principle 4:

1. **Has the Company mapped its internal and external stakeholders?**

   The Company has mapped its internal and external stakeholders.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?**

   The Company has identified its disadvantaged, vulnerable and marginalised stakeholders.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

   Being a global pharmaceutical Company, the Company has analysed its eco system and identified challenges such as malnutrition, lack of sanitation, hunger and disease, education and poor rural development. Our CSR programmes are built around the key focus areas (i) Healthcare, (ii) Education, (iii) Infrastructure development; and (iv) Promoting social causes etc.

   The Company's 'Whistle Blower Policy' encourage stakeholders to report their genuine concern, if any. The Policy provides for adequate safeguard to the Whistle Blower against victimisation. Additionally, the Company has also an investors' grievance cell where the investors can raise their concerns.

Principle 5:

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/ JV/ Suppliers/ Contractors/ NGO/ Others?**

   Wockhardt is an equal opportunity provider employer and does not discriminate based on colour, caste, race, region, religion etc. Women candidates are encouraged to apply.

   The policy on human rights covers internal as well as external stakeholders such as suppliers, vendors, contractors, partners, group companies and subsidiaries.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?**

   No stakeholder complaints were received in the reporting period with regards to human rights violations.

Principle 6:

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

   The Company is committed to conduct its business in a responsible manner by ensuring the safety and health of its employees, customers, partners, contractors and community neighbours.

   The responsibility for adherence to the policy related to Environment, Health & Safety lies with key stakeholders viz. employees and workers, contractors and partners, community representatives and public at large.

   The Company is committed to operate all its units in an environment friendly manner while protecting health and safety of its employees.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? If yes, please give hyperlink for webpage etc.**

   The Company complies with applicable energy laws and regulations and reviews its technology upgradation and energy efficiency initiatives on a periodic basis. These actions contribute to mitigation of GHG emissions. The Company give emphasis on conservation of energy and optimum utilization of natural resources. The Company also understands the importance of climate change, risk mitigation by adapting to likely climate changes and its impact on business operations.

   The Company has process of inventorisation of its Greenhouse Gas emissions.

3. **Does the Company identify and assess potential environmental risks?**

   Yes

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

   At present, the Company does not have any project related to Clean Development Mechanism.

5. **Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy etc.? If yes, please give hyperlink to web page etc.**

   Yes. The Company continues to undertake several initiatives for energy efficiency and cleaner technologies. Some of the energy efficient initiatives carried out by the Company at different units are as under:

   - 50 CFM air compressor is being used during Night Shift and Weekly Off Days instead of 225 CFM air compressor
   - Compressed Air Booster Pump Installed on Tablet Block Service floor to boost the air pressure for packing lines, to cater the demand with one Compressor only instead of Two Air Compressors
   - CFL and HPMV Lamps replaced by LED lamps in phased manner
   - Chilled water pressure Booster Pump installed
   - Extension of chilled water line from central utility to IDF facility.

   The details of the same have also been provided in Board's Report forming part of this Annual Report (www.wockhardt.com/investor-connect/annual-reports.aspx)

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Yes. The air quality levels are well within the standards and limits prescribed by the Pollution Control Boards.

   An effluent treatment facilities installed at the manufacturing units of the Company have been working satisfactorily and meets the regulatory norms as prescribed by the Pollution Control Boards. At few sites, discharged process water is being recycled after treatment thus conserving water.

   Solid waste from plants is also safely disposed-off or stored as per guidelines prescribed by the State Pollution Control Boards.

7. **Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as of end of financial year.**

   3 [Includes two matters which are pending in The National Green Tribunal, Western Zone, Pune.]

   Response submitted to SPCB in respect of one show cause notice received during the year.

Principle 7:

1. **Is your Company a member of any trade and chambers or association? If yes, name only those major ones that your business deals with.**

   The Company is a member of the following trade and chambers or association:

   - IMS AG
   - Elsevier B.V.
   - World Economic Forum
   - Indian Pharmaceuticals Alliance
   - Federation of Indian Chamber of Commerce and Industry
   - Confederation of India Industry
   - Bombay Chamber of Commerce and Industry

2. **Have you advocated/ lobbied through above associations for the advancement or improvement of public good? If yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, 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 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?**

   During the financial year 2018-19, the Company has contributed ₹ 4.21 crore to Wockhardt Foundation for carrying out CSR activities.

The details of CSR activities and manner in which amount have been spent is provided in Report on CSR activities forming part of this Annual Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   Yes. The Company firmly believe that community development initiatives are adopted by the community.

Principle 9:

1. **What percentage of customer complaints/ consumer cases are pending as on the end of financial year?**

   As on 31st March, 2019, there were about 1.39% 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 etc. 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 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, 2019 are summarised below:-

   - A class action was initiated against various pharmaceutical companies including Wockhardt Limited. This anti-trust action relates to price hike of various generic drugs such as Clobetasol, Desonide, Lidex, Fluocinonide, Propranolol, Pravastatin, Divalproex ER, Econazole, Levothyroxine etc. The Company is one of the manufacturer and marketer of the few of the said products viz.; Clobetasol & Desonide. For Clobetasol, the Company alongwith other Defendants filed motions to dismiss the consolidated amended complaints. The matter relating to Divalproex may move into Multidistrict Litigation (MDL). As the matter is currently being argued in USA by our legal and regulatory personnel, we are hopeful that the Company's name would be removed from the said litigation/class action claims. At this point of time, the Company does not anticipate that this matter will have a material impact on the business or operations of the Company.

   - The Company was named along with numerous other drug manufacturers as defendants in "pay for delay" and "product hopping" antitrust litigation concerning the drug Namenda IR and its generic versions. Defendants' motion to dismiss was denied. However, the Court stayed all claims against the generic defendants, including Wockhardt, pending resolution of claims against the brand companies.

   - 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 Lacs 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. As CDAG has challenged the CCI order and no specific allegations have been levied against the Company.

   - 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 pending before the office of Director General, CCI for investigation. The Company has already provided requisite details denying the claim and is fully cooperating with the said office.

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, 2019 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. Ms. Rima Marphatia (DIN: 00444343), Chief General Manager at Export-Import Bank of India (Lender) has been appointed as a Nominee Director with effect from 6th May, 2019 at its Board Meeting held on 6th May, 2019. The Company has 3 (three) Women Directors on its Board which includes 1 (One) Independent Director.

The composition of the Board, details of other directorships, committee positions as on 31st March, 2019 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[4]		Attendance at	
		Total Directorship[1]	Directorship in other Public Companies[2]	Chairperson[6]	Member	Board Meetings	Last Annual General Meeting (4th August, 2018)
Dr. H. F. Khorakiwala ***Chairman*** DIN: 00045608	Executive/Promoter	16	1	Nil	Nil	4	Yes
Mr. Shekhar Datta DIN: 00045591[3]	Independent	3	3	2	2	3	Yes
Mr. Aman Mehta DIN: 00009364	Independent	5	5	1	6	4	Yes
Mr. Davinder Singh Brar DIN: 00068502	Independent	12	2	2	4	4	Yes
Dr. Sanjaya Baru DIN: 05344208	Independent	2	2	Nil	3	3	No
Ms. Tasneem Mehta DIN: 05009664 [5]	Independent	Nil	Nil	Nil	2	4	Yes
Mr. Baldev Raj Arora DIN: 00194168	Independent	2	2	Nil	5	4	Yes
Mr. Vinesh Kumar Jairath DIN: 00391684	Independent	9	9	2	7	4	Yes
Dr. Huzaifa Khorakiwala ***Executive Director*** DIN: 02191870	Executive/Promoter	13	2	Nil	1	4	Yes
Dr. Murtaza Khorakiwala ***Managing Director*** DIN: 00102650	Executive/Promoter	9	2	1	Nil	4	Yes
Ms. Zahabiya Khorakiwala DIN: 00102689	Non-Executive Non-Independent/ Promoter	8	3	1	Nil	2	Yes

(1) The number of total directorships is in accordance with Section 165 of the Companies Act, 2013 which excludes foreign companies.

(2) Excludes directorships in Private Limited Companies, Foreign Companies and Section 8 Companies.

(3) Mr. Shekhar Datta, Independent Director (DIN 00045591) decided not to seek re-appointment for the 2nd term as an Independent Director of the Company, hence his present term has ended on 31st March, 2019 from the close of business hours.

(4) This includes only Chairmanships/Memberships of the Audit Committee and Stakeholders Relationship Committee of all listed and unlisted public limited companies (including the Company) as per Regulation 26 of the SEBI Listing Regulations.

(5) Ms. Tasneem Mehta is re-appointed for the second term of 5 (five) years as an Independent Director from the end of the current tenure i.e. 29th September, 2019 at the Board Meeting held dated 6th May, 2019 subject to the approval of shareholders by way of a Special Resolution at the ensuing Annual General Meeting.

(6) A Director, wherever he is the Chairperson of the Committee, is also a member of the Committee.

Names of the listed entities where the said persons are Directors and the category of their directorship are as follows:

Name of Directors	Name of other listed entities in which he is Director	Category of Directorship
Dr. H. F. Khorakiwala	Nil	Not Applicable
Mr. Shekhar Datta*	Triveni Engineering & Industries Limited	Independent Director
	Triveni Turbine Limited	Independent Director
Mr. Aman Mehta	Vedanta Limited	Independent Director
	Tata Consultancy Services Limited	Independent Director
	Max Financial Services Limited	Independent Director
	Godrej Consumer Products Limited	Independent Director
	Tata Steel Limited	Independent Director
Mr. Davinder Singh Brar	Mphasis Limited	Independent Director
	Maruti Suzuki India Limited	Independent Director
Dr. Sanjaya Baru	Artemis Global Life Sciences Limited	Independent Director
Ms. Tasneem Mehta	Nil	Not Applicable
Mr. Baldev Raj Arora	Atul Limited	Independent Director
Mr. Vinesh Kumar Jairath	The Bombay Dyeing and Manufacturing Company Limited	Independent Director
	Tata Motors Limited	Independent Director
	Kirloskar Oil Engines Limited	Non-Executive Non-Independent Director
	Kirloskar Industries Limited	Non-Executive Non-Independent Director
	The Bombay Burmah Trading Corporation, Limited	Independent Director
Dr. Huzaifa Khorakiwala	Nil	Not Applicable
Dr. Murtaza Khorakiwala	Nil	Not Applicable
Ms. Zahabiya Khorakiwala	RPG Life Sciences Limited	Independent Director

*Mr. Shekhar Datta decided not to seek re-appointment for the 2nd term as an Independent Director of the Company, hence his present term has ended on 31st March, 2019 from the close of business hours.

As detailed in the table, none of the Directors hold directorships in more than 20 Companies (including limit of maximum directorship in 10 Public Companies) pursuant to the provisions of Section 165 of the Companies Act, 2013 ('Act').

Further, in compliance with Regulation 17A of the SEBI Listing Regulations, none of the Independent Directors hold directorships in more than seven listed companies. Further, none of the Directors who serves as Whole-time Director/Managing Director in any listed entity serves as an Independent Director in more than three listed entities.

None of the Directors are members of more than ten Committees of the prescribed nature or holds Chairmanship of more than five such committees across all listed or unlisted public limited companies in which they are Directors, thereby complying with the provisions of Regulation 26 of the SEBI Listing Regulations.

The details of equity shareholding of all the Directors are provided elsewhere in this Report.

Inter-se relationships among Directors

Dr. Huzaifa Khorakiwala, Executive Director, Dr. Murtaza Khorakiwala, Managing Director are the sons and Ms. Zahabiya Khorakiwala, Non-Executive Non-Independent Director is the daughter of Dr. H. F. Khorakiwala, Executive Chairman. Except this, there are no inter-se relationships amongst the Directors.

Independent Directors

The Independent Directors ('IDs') fulfil the criteria/obligations as stated under Regulation 25 of the SEBI Listing Regulations.

The IDs submit a self-declaration, confirming their independence and compliance with various eligibility criteria, among other disclosures. All such declarations are placed before the Board for information and noting.

The draft letter of appointment, containing the terms of reference and the duties and responsibilities of the IDs, is available on the website of the Company www.wockhardt.com

Further, a separate meeting of IDs was held on 28th January, 2019. 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 duties 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: www.wockhardt.com/files/familiarisation-programme.pdf

(b) Board Meetings and Procedures

During the year under review, 4 (Four) Board Meetings were held on 4th May, 2018, 4th August, 2018, 10th November, 2018 and 28th January, 2019. The gap between two consecutive meetings was not more than one hundred and twenty days, thereby complying with the applicable statutory requirement.

The Board is regularly apprised and informed of important business-related information. The Board meeting dates are finalized in consultation with all the Directors well in advance. Further, the Agenda papers supported by comprehensive notes and relevant information, documents and presentations are circulated in advance to all the Board members which enable them to take informed decisions and discharge 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 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 for the decisions taken at the earlier Board meetings are also placed before the Board of the Company.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act read with Regulation 16(1)(b) of the SEBI Listing Regulations. In the opinion of the Board, the Independent Directors fulfill the conditions specified in Section 149(6) of the Act read with Regulation 16(1)(b) of the SEBI Listing Regulations and are independent of the management.

Further, the Board skills parameters as identified in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board of Directors are pharmaceutical/biotechnology expertise; scientific and medical research expertise; integrity (ethics); business and corporate planning and strategy; entrepreneur, corporate management; law and governance; global regulatory experience; commercial partnering, M&A; and previous board experience.

3. BOARD COMMITTEES

The Company has constituted various Committees for the smooth functioning of the Board. The composition of all the Board Committees are in accordance with the provisions of the Act and the SEBI Listing Regulations, wherever applicable. The details of composition are also disclosed on the website of the Company www.wockhardt.com

Details of Board Committees and other related information are provided hereunder:

A) AUDIT COMMITTEE

Terms of reference, Meetings & Composition

(i) Terms of reference

Pursuant to the SEBI Listing Regulations and Section 177 of the Act, the role of the Audit Committee briefly covers as under:

Financial Reporting and other Financial Matters

- Oversight of Company’s financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible;
- Reviewing with the management, quarterly unaudited financial statements and annual audited financial statements & Auditors’ Report thereon before submission to the Board for approval. Review of annual financial statements *inter alia* includes reviewing changes in Accounting Policies, if any, major accounting entries involving estimates, significant adjustments made in financial statements, qualifications in draft Audit report, if any;
- Reviewing management discussion and analysis of financial condition and results of operations;
- Scrutiny of inter-corporate loans & investments;

- Monitoring the performance of the unlisted subsidiaries by reviewing their financial statements including the investments made by them; and
- Reviewing the utilisation of loans and/or advances from/investment by the Company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower.

Audit & Auditors, Internal Controls

- Recommending the appointment, remuneration and terms of appointment/re-appointment, if required, replacement or removal of auditors, fixation of statutory audit fees and approval of payment for any other services rendered by the Statutory Auditors, as permitted;
- Recommending appointment and remuneration of Cost Auditors;
- Review and monitor the Auditor's independence and performance and effectiveness of audit process;
- Reviewing the adequacy of internal audit function and internal control systems including internal financial controls; and discussion with Internal Auditors any significant findings and follow-up thereon; and
- Reviewing significant audit findings from the statutory and internal audits.

Other Matters

- Approval of all Related Party Transactions;
- Evaluation of Internal Financial Controls and Risk Management Systems;
- Appointment of CFO; and
- Reviewing the functioning of Whistle Blower Mechanism.

The Audit Committee has all the powers as specified in Regulation 18 of the SEBI Listing Regulations to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary and pursuant to Section 177 of the Act.

(ii) Meetings

During the year under review, the Audit Committee met 4 (Four) times on 4th May, 2018, 4th August, 2018, 10th November, 2018 and 28th January, 2019. The maximum gap between any two consecutive meetings was not more than one hundred and twenty days.

(iii) Composition

As on 31st March, 2019, the Audit Committee comprises of 7 (Seven) 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. Shekhar Datta*	Chairperson	Independent	Business Professional	3
Mr. Aman Mehta	Member	Independent	Business Professional	4
Mr. Davinder Singh Brar	Member	Independent	Business Professional	4
Dr. Sanjaya Baru	Member	Independent	Economist	3
Ms. Tasneem Mehta	Member	Independent	Business Professional	4
Mr. Baldev Raj Arora	Member	Independent	Business Professional	4
Mr. Vinesh Kumar Jairath	Member	Independent	Business Professional	4

** Consequent to retirement of Mr. Shekhar Datta as an Independent Director on 31st March, 2019, the Audit Committee was also re-constituted with effect from 1st April, 2019 at the Board Meeting held earlier on 28th January, 2019. In the re-constituted Audit Committee, Mr. Aman Mehta was appointed as the Chairman of the Committee.*

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. Shekhar Datta, Chairperson of the Audit Committee, was present at the AGM of the Company held on 4th August, 2018.

Mr. Narendra Singh, Company Secretary, acts as a Secretary to the Audit Committee.

The Statutory Auditors, Head of Internal Audit, Head of Finance and Executive Directors, upon invitation, attend the meetings.

B) STAKEHOLDERS RELATIONSHIP COMMITTEE

Stakeholders Relationship Committee looks into mechanism of redressal of grievance of the shareholders/other security holders. The Committee reviews the status of shareholders grievances on a quarterly basis.

(a) Terms of Reference, Meetings & Composition

(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 4th May, 2018, 4th August, 2018, 10th November, 2018 and 28th January, 2019.

(iii) Composition

As on 31st March, 2019, the Committee comprises of 7 (Seven) 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
Mr. Shekhar Datta*	Chairperson	Independent	Business Professional	3
Mr. Aman Mehta	Member	Independent	Business Professional	4
Mr. Davinder Singh Brar	Member	Independent	Business Professional	4
Dr. Sanjaya Baru	Member	Independent	Economist	3
Ms. Tasneem Mehta	Member	Independent	Business Professional	4
Mr. Baldev Raj Arora	Member	Independent	Business Professional	4
Mr. Vinesh Kumar Jairath	Member	Independent	Business Professional	4

** Consequent to retirement of Mr. Shekhar Datta as an Independent Director on 31st March, 2019, the Stakeholders Relationship Committee was also re-constituted with effect from 1st April, 2019 at the Board Meeting held earlier on 28th January, 2019. In the re-constituted Stakeholders Relationship Committee, Dr. Sanjaya Baru was appointed as the Chairman of the Committee.*

(b) Compliance Officer

Mr. Narendra Singh, Company Secretary & Compliance Officer, is responsible for the compliance with the requirements of the Securities Laws and SEBI Listing Regulations with the Stock Exchanges.

(c) Shareholders Complaints and Redressal

The Registrar and Transfer Agents ('RTA') of the Company is Link Intime India Private Limited, who handles the investor grievances in coordination with the Compliance Officer of the Company.

The Company duly monitors the functioning of the RTA to ensure that the investor grievances are resolved expeditiously and to the satisfaction of the shareholders.

A statement providing the category wise details of the complaints received from the shareholders during the year ended 31st March, 2019 and the status for the same is as under:

Sr. No.	Nature of Communication	Opening Balance	Received during the period	Replied/Resolved	Pending
1.	Non-receipt of rejected DRF	—	3	3	—
2.	Non-receipt of exchange of shares	—	1	1	—
	TOTAL	**—**	**4**	**4**	**—**

Apart from the above, there were 841 letters/queries relating to change of address, issue of duplicate share certificates, registration of ECS details and issue of fresh demand drafts in lieu of unpaid dividend etc. received during the FY 2018-19 out of which 797 letters/queries were replied/resolved as of 31st March, 2019. The pending 44 letters/queries were received at the end of March, 2019 out of which 28 letters/queries were replied/resolved as on 31st March, 2019. The remaining letters/queries were duly replied/resolved as on the date of this Report.

As on 31st March, 2019, no complaints were outstanding. All queries/requests/complaints have been resolved to the satisfaction of shareholders within the reasonable time.

The Company maintains continuous interaction with Link Intime India Private Limited, RTA and takes proactive steps and action for resolving complaints/queries of the shareholders and takes necessary initiatives in solving critical issues.

Further, the shareholders can lodge their complaints on the SEBI Complaints Redressal System (SCORES) platform also, which is an online redressal system for investor grievances. The complaints received through the said platform have also been resolved promptly by the RTA/Company.

C) NOMINATION AND REMUNERATION COMMITTEE

a) Terms of Reference, Meetings & Composition

(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 their appointment and removal;
- Recommendation for fixation and revision of remuneration packages of Managing Director and Executive Directors to the Board for review and approval;
- Formulation of criteria for determining qualifications, positive attributes and independence of a Director and recommending to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of every Director and carry out performance evaluation of Directors;
- Devising a policy on Board diversity;
- Extension or continuation of term of appointment of the Independent Director, on the basis of the report of performance evaluation of the Independent Directors.
- Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

(ii) Meetings

During the year under review, 3 (three) meetings of the NRC were held on 4th May, 2018, 3rd August, 2018 and 28th January, 2019.

(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, 2019, the composition of NRC is given below:

Name of the Director/Member	Designation	Category	Profession	No. of Meetings Attended
Mr. Shekhar Datta*	Chairperson	Independent	Business Professional	3
Dr. H. F. Khorakiwala	Member	Executive Chairman	Business Professional	3
Dr. Sanjaya Baru	Member	Independent	Economist	2
Mr. Aman Mehta	Member	Independent	Business Professional	3

** Consequent to retirement of Mr. Shekhar Datta as an Independent Director on 31st March, 2019, the NRC was also re-constituted with effect from 1st April, 2019 at the Board Meeting held earlier on 28th January, 2019. In the re-constituted NRC, Mr. Davinder Singh Brar, Independent Director was inducted as the Chairman of the Committee.*

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.
- 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 the Act and Regulation 16(1)(b) of the SEBI Listing Regulations.

c) Performance Evaluation Criteria

The NRC lays down the criteria for performance evaluation of Directors. In accordance with the provisions of the SEBI Listing Regulations and the Act, the performance evaluation of the individual Directors shall be done by the entire Board of Directors, subject to the condition that the Director who is subject to evaluation should not participate. The criteria for performance evaluation covers parameters such as decision taken in the interest of the organization objectively; assisting the Company in implementing the Corporate Governance; monitoring performance of organization based on agreed goals & financial performance; fulfillment of the independence criteria as prescribed and their independence from the management; and active participation in the affairs of the Company as Board/Committee Members.

d) Remuneration of Directors

The remuneration of the Executive Directors is decided by the Board based on the recommendations of the NRC as per the Remuneration Policy of the Company, within the limits fixed and approved by the shareholders at the general meeting. The remuneration of the Non-Executive Directors comprises of sitting fees and commission, if any. The Non-Executive/Independent Directors are paid sitting fees of ₹100,000 for each meeting of the Board, Audit Committee, Stakeholders Relationship Committee and Capital Raising Committee attended by them and reimbursement of expenses towards attending the meetings.

The remuneration paid/payable to each Director for the financial year ended 31st March, 2019 is as under:

Name of Director	Tenure upto	No. of equity shares held by Directors as on 31st March, 2019	Remuneration for the financial year ended 31st March, 2019 (₹ in crore)		
			Sitting fees	Salary and Perquisites	Total
Dr. H. F. Khorakiwala&	29th February, 2020	442,785	N.A.	2.80	2.80
Mr. Shekhar Datta*	31st March, 2019	4,100	0.11	N.A.	0.11
Mr. Aman Mehta**	31st March, 2024	2,500	0.12	N.A.	0.12
Mr. Davinder Singh Brar**		500	0.12	N.A.	0.12
Dr. Sanjaya Baru**		500	0.09	N.A.	0.09
Ms. Tasneem Mehta#	29th September, 2019	Nil	0.12	N.A.	0.12
Mr. Baldev Raj Arora	27th May, 2020	Nil	0.14	N.A.	0.14
Mr. Vinesh Kumar Jairath	9th November, 2021	Nil	0.14	N.A.	0.14
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	0.02	N.A.	0.02

& *Dr. H. F. Khorakiwala has been re-appointed for a term of 5 (five) years as an Executive Chairman from the end of the current tenure i.e. 29th February, 2020 at the Board Meeting held on 6th May, 2019 subject to the approval of shareholders by way of a special resolution at the ensuing Annual General Meeting.*

* *Mr. Shekhar Datta, Independent Director (DIN 00045591) decided not to seek re-appointment for the 2nd term as an Independent Director of the Company, hence his present term has ended on 31st March, 2019 from the close of business hours.*

** *Mr. Aman Mehta, Mr. Davinder Singh Brar and Dr. Sanjaya Baru were appointed for the second term of 5 (five) years as Independent Directors from the end of the current tenure i.e. 31st March, 2019 at the Annual General Meeting of the Company held on 4th August, 2018.*

Ms. Tasneem Mehta has been re-appointed for the second term of 5 (five) years as an Independent Director from the end of the current tenure i.e. 29th September, 2019 at the Board Meeting held on 6th May, 2019 subject to the approval of shareholders by way of a special resolution at the ensuing Annual General Meeting.

@ *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.*

Notes:

1. No commission has been paid to Executive and Non-Executive Directors (including Independent Directors) during the year ended 31st March, 2019.
2. 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.
3. None of the Directors hold any stock options and convertible instruments in the Company.
4. The Non-Executive Directors on the Company's Board, apart from receiving sitting fees do not have any other pecuniary relationship or transactions 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

(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 2018-19, 1 (one) meeting of CSR Committee was held on 4th May, 2018 and the same was attended by all the members of the Committee.

(iii) Composition

As on 31st March, 2019, the CSR Committee comprises of Dr. H. F. Khorakiwala, Executive Chairman, Dr. Huzaifa Khorakiwala, Executive Director, Mr. Davinder Singh Brar, Independent Director and Mr. Aman Mehta, Independent Director as its members. Dr. H. F. Khorakiwala is the Chairman of the CSR Committee.

The report on CSR is also provided in the Board's Report which forms part of this Annual Report.

E) RISK MANAGEMENT COMMITTEE

Terms of Reference, Meetings & Composition

(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

The 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.

(iii) Composition

The Risk Management Committee comprises of Dr. H. F. Khorakiwala, Executive Chairman, Dr. Murtaza Khorakiwala, Managing Director, Mr. Davinder Singh Brar, Independent Director and Mr. Manas Datta, Chief Financial Officer as its members. Dr. H. F. Khorakiwala is the Chairman of the Risk Management Committee.

F) OTHER COMMITTEES OF THE BOARD

Apart from the Committees being required mandatorily, the Board has also constituted certain Committees and has delegated some specific powers to such Committees. Each Committee has its distinct role, scope and powers. The Minutes of these Committee meetings are also periodically placed before the Board for noting.

The Board has constituted following four Committees:

a) Credit Facilities Committee
b) Share Allotment Committee
c) ESOS Compensation Committee
d) Capital Raising Committee

a) Credit Facilities Committee

(i) Terms of Reference

The terms of reference, *inter alia*, includes to:

- Exercise all such powers to borrow money within the limits approved by the Board;
- Avail, renew, enhance, restructure and reschedule all fund based and non-fund based credit facilities including term loans and working capital facilities availed from banks/financial institutions/bodies corporate;
- Delegate authorities from time to time to the executives/authorized persons to implement the decisions of the Committee;
- Carry out any such function as mandated by the Board and/or enforced by way of any statutory amendments as may be necessary for effective performance of its duties.

(ii) Meetings

During the year under review, 2 (Two) meetings of the Credit Facilities Committee were held on 31st May, 2018 and 7th January, 2019 which were attended by all the members of the Committee except Dr. Huzaifa Khorakiwala who expressed his inability to attend the meeting held on 7th January, 2019 and to whom leave of absence was granted.

(iii) Composition

As on 31st March, 2019, the Committee comprises of three Directors viz. Dr. H. F. Khorakiwala, Executive Chairman, Dr. Huzaifa Khorakiwala, Executive Director and Dr. Murtaza Khorakiwala, Managing Director as its members. Dr. H. F. Khorakiwala is the Chairman of the Credit Facilities Committee.

b) Share Allotment Committee

(i) Terms of Reference

The terms of reference, *inter alia*, includes to:

- Allot preference shares;
- Redeem preference shares/debentures;
- Allot equity shares pursuant to exercise of stock options;
- Carry out any such function as mandated by the Board and/or enforced by way of any statutory amendments as may be necessary for effective performance of its duties.

(ii) Meetings

During the year under review, 3 (Three) meetings of the Share Allotment Committee were held on 15th June, 2018, 17th July, 2018 and 1st October, 2018. The Committee meetings were attended by all the members.

(iii) Composition

As on 31st March, 2019, the Committee comprises of three Directors viz. Dr. H. F. Khorakiwala, Executive Chairman, Dr. Huzaifa Khorakiwala, Executive Director and Dr. Murtaza Khorakiwala, Managing Director as its members. Dr. H. F. Khorakiwala is the Chairman of the Share Allotment Committee.

c) ESOS Compensation Committee

As per Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the ESOS Compensation Committee constituted by the Board is in place.

(i) Terms of Reference

The key role of ESOS Compensation Committee consists of administration and monitoring the implementation of Wockhardt Employees' Stock Option Scheme – 2011 ('the Scheme') of the Company. Further, the Committee is also vested with such functions and powers, enumerated as under:

- Determination of the employees eligibility for participation in the Scheme;
- Number of options that may be granted to the employees;
- Determination of vesting period, exercise period of the options issued under the Scheme; and
- Other incidental matters pertaining to the Scheme of the Company.

(ii) Meetings

During the year under review, no meeting of ESOS Compensation Committee took place.

(iii) Composition

As on 31st March, 2019, ESOS Compensation Committee comprises of Dr. Sanjaya Baru, Chairperson of the Committee (Independent Director), Dr. H. F. Khorakiwala (Executive Chairman) and Ms. Tasneem Mehta (Independent Director) as its members.

d) Capital Raising Committee

(i) Terms of Reference

- To analyse various options for raising of capital;
- To crystallize pricing and size after negotiations by the management with the potential investment bankers/investors etc.;
- To appoint the issue management and issue related agencies;
- To review/finalise/approve issue related documents;
- To finalise the mode of issue of raising funds (i.e. equity, preference, debentures, bonds) including the terms of issue thereof;

- To extend/roll-over/alter the terms & conditions of preference shares/debentures/bonds including the date of payment of interest and/or redemption amount thereof;
- Incurring necessary expenditure;
- Delegating all its powers to any member of the Committee or Official(s) of the Company;
- To do all such acts, deeds as may be deemed to be necessary in connection with the capital raising exercise.

(ii) Meetings

During the year under review, 2 (Two) meetings of the Capital Raising Committee was held on 22nd December, 2018 and 19th March, 2019 which were attended by all the members except Dr. H. F. Khorakiwala to whom leave of absence was granted.

(iii) Composition

As on 31st March, 2019, Capital Raising Committee comprises of Dr. H. F. Khorakiwala, Executive Chairman, Mr. Shekhar Datta, Independent Director, Mr. Baldev Raj Arora, Independent Director and Mr. Vinesh Kumar Jairath, Independent Director as its members. Dr. H. F. Khorakiwala is the Chairman of the Capital Raising Committee.

Consequent to retirement of Mr. Shekhar Datta as an Independent Director on 31st March, 2019, the Capital Raising Committee was also re-constituted with effect from 1st April, 2019 at the Board Meeting held earlier on 28th January, 2019. Ms. Tasneem Mehta and Dr. Murtaza Khorakiwala, Directors, were inducted as members of the Capital Raising Committee.

4. GENERAL BODY MEETINGS

a) Details of last three Annual General Meetings:

The day, date, time and location of the AGMs held during the last three years, and the special resolution(s) passed thereat by e-voting and poll, are as follows:

Financial Year ended	Day and Date	Time	Location	Special Resolution Passed
31st March, 2018	Saturday, 4th August, 2018	12.00 noon	The Benchmark, Nakshatrawadi, Paithan Road, Aurangabad- 431 005	1) Re-appointment of Dr. Huzaifa Khorakiwala as an Executive Director and Fixation of Remuneration 2) Re-appointment of Dr. Murtaza Khorakiwala as Managing Director and Fixation of Remuneration 3) Re-appointment of Mr. Aman Mehta as an Independent Director of the Company 4) Re-appointment of Mr. Davinder Singh Brar as an Independent Director of the Company 5) Re-appointment of Dr. Sanjaya Baru as an Independent Director of the Company 6) Approval for issuance of Non-Convertible Debentures ('NCDs') upto ₹ 1,200 crore on private placement basis
31st March, 2017	Wednesday, 2nd August, 2017	12.00 noon	The Benchmark, Nakshatrawadi, Paithan Road, Aurangabad- 431 005	Approval for issuance of Non-Convertible Debentures ('NCDs') upto ₹ 1,200 crore on private placement basis
31st March, 2016	Saturday, 13th August, 2016	12.00 noon	The Benchmark, Nakshatrawadi, Paithan Road, Aurangabad- 431 005	1) Approval for issuance of Non-Convertible Debentures ('NCDs') upto ₹ 1,200 crore on private placement basis 2) Approval to deliver document through a particular mode as may be sought by the member

b) Postal Ballots:

Pursuant to Sections 108 and 110 of the Act including Rules made there under and Regulation 44 of the SEBI Listing Regulations, the Postal Ballots were conducted in physical & e-voting mode. Mr. Virendra Bhatt, Practicing Company Secretary (ACS No. 1157, CP No. 124) was appointed as Scrutinizer for conducting Postal Ballot in a fair and transparent manner.

The Company engages the services of National Securities Depository Limited ("NSDL") for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical postal ballot form or through e-voting. The Company dispatches the postal ballot notices and forms along with postage pre-paid self-addressed envelope to its members whose names appear on the Register of Members/List of Beneficiaries as on cut-off date. The postal ballot notice is sent to members in electronic form to the email addresses registered with the Company/Company's RTA. The Company also publishes a notice in the newspapers declaring the details of completion of dispatch and other requirements under the Act and the Rules issued thereunder.

Voting rights are reckoned on the paid up value of shares of the Company in the names of the shareholders as on the cut-off date. Members desiring to vote through physical postal ballot form are requested to return the forms, duly completed and signed so as to reach the Scrutinizer before the close of the voting period. Members desiring to exercise their votes by electronic mode are requested to vote before the close of business hours on the last date of e-voting.

The Scrutinizer submits his report to the Chairman, after the completion of scrutiny and the consolidated results of the voting by postal ballot are then announced by the Chairman or any Director authorised by him or Company Secretary. The results are displayed on the website of the Company www.wockhardt.com, besides being communicated to the Stock Exchanges and NSDL.

The resolution, if passed with requisite majority, shall be deemed to be passed on the last date specified by the Company for receipt of duly completed e-voting or postal ballot forms.

During the year ended 31st March, 2019, following special resolutions were passed through Postal Ballot:

1) Resolution of Postal Ballot passed on 14th December, 2018

Issue of 4% Non-Convertible Non-Cumulative Redeemable Preference Shares of face value of ₹ 5 each at par upto ₹ 500 crore to members of Promoter Group

Details of voting pattern: Assent – 99.98%; Dissent – 0.02%

2) Resolution of Postal Ballot passed on 7th September, 2018

a) Consent for continuation of Mr. Baldev Raj Arora as an Independent Director

Details of voting pattern: Assent – 99.99%; Dissent – 0.01%

b) To advance any loan including any loan represented by book debt, or give any guarantee or provide any security in connection with any loans/debentures/bonds etc. raised by subsidiary company(ies)/body corporate(s) in whom any of the Director of the Company is interested upto ₹ 6,000 crore

Details of voting pattern: Assent – 93.48%; Dissent – 6.52%

3) Resolution of Postal Ballot passed on 8th June, 2018

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

Details of voting pattern: Assent – 94.07%; Dissent – 5.93%

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.

During the year under review, pursuant to Section 188(1) of the Act and Regulation 23 of the SEBI Listing Regulations, approval of the members of the Company was sought in relation to issue and allotment up to 100,00,00,000 (One Hundred Crore) 4% Non-Convertible Non-Cumulative Redeemable Preference Shares (NCCRPS) of face value of ₹ 5 each in one or more tranches, aggregating up to ₹ 500 crore on a preferential basis to any one or a combination of the promoter group entities namely Humuza Consultants, Habil Khorakiwala Trust and Khorakiwala Holdings and Investments Private Limited (KHIPL) vide Postal Ballot on 14th December, 2018. In terms of the said approval of the members, the Company has so far allotted 50 crore NCCRPS of ₹ 5 each to Humuza Consultants and KHIPL.

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: www.wockhardt.com/files/policy-on-materiality-of-and-dealing-with-related-party-transactions.pdf

The details about Related Party Transactions have also been provided in the Board's Report forming part of this Annual Report.

b. Compliance

Your Company has complied with the requirements of the Stock Exchanges, SEBI and other Statutory Authority on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority relating to the above.

c. Code of Conduct

Your Company has laid down a 'Code of Business Conduct and Ethics' for the Directors and the Senior Management Personnel. The Code includes the terms of reference, role and duties of Independent Directors as laid down in Schedule IV of 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, 2019. 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, 2019. The certificate has been reviewed by the Audit Committee and taken on record by the Board at the meeting held on 6th May, 2019.

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, 2019, the Company does not have any unlisted material subsidiary, which is incorporated in India/ 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: www.wockhardt.com/files/statutory-communication/policy-on-material-subsidiaries.pdf

During the year under review, as the Company had no unlisted material subsidiary incorporated in India/outside India, there was no need to nominate an Independent Director of the Company on the Board of such subsidiary.

i. Compliance with mandatory and non-mandatory requirements

The Company is in compliance with the mandatory requirements of the Code on Corporate Governance as specified in Regulations 17 to 27 read with Schedule V and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.

The Company has also adopted the following non-mandatory requirements under Regulation 27(1) of the SEBI Listing Regulations read with Part E of Schedule II thereto:

- Shareholder Rights – Chairman's Letter which includes details of financial performance and summary of significant events is sent to each shareholder on quarterly basis. The said letter is also available on the website of the Company www.wockhardt.com
- Separate posts of Chairman and Managing Director – Dr. H. F. Khorakiwala is the Chairman and Dr. Murtaza Khorakiwala is the Managing Director of the Company.
- Modified Opinion in Audit Report – The Statutory Auditors of the Company have not raised any qualifications/ modified opinion on the financial statements of 2015-16, 2016-17, 2017-18 and 2018-19 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 designated persons are also restricted from entering the opposite transaction i.e. buy or sell any number of shares during the next six months following the prior transaction ('contra trade'). Pursuant to Clause 10 of the Code, every Designated Person is required to disclose to the Company on an annual basis, the details of securities of the Company held by him and his immediate relatives as on 31st March every year in the format that is available on the intranet of the Company. The Company also circulates the Don'ts and Do's required to be observed under the Code/SEBI Regulations by the Designated Persons periodically for reference.

The Company has also implemented the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 applicable with effect from 1st April, 2019 along with adoption of all the requisite policies.

k. Other SEBI Listing Regulations

The Company has complied with all the applicable provisions of the SEBI Listing Regulations in relation to Corporate Governance requirements. The disclosures of all the compliances pursuant to said Regulations are made elsewhere in this Report.

l. Policies

The brief about the policies and weblink thereto have been provided in the Board's Report forming part of this Annual Report.

6. MEANS OF COMMUNICATION

- **Website:** The Company's website www.wockhardt.com contains the information pertaining to the Company that it is in compliance with the SEBI Listing Regulations. Further, FAQs and Forms, Live Share price, Dividend & Spilt History, 10 years financial summary have been made available to the investors for easy access to the details. A separate section for Investors is available wherein the updated information pertaining to quarterly, half-yearly and annual financial results, official press releases, investor communications, shareholding pattern is available in a user friendly and downloadable form.

  With effect from 1st December, 2015, the Company's website contains all the communications made to the Stock Exchange from time to time.
- **Financial Results:** The quarterly, half yearly and annual financial results of the Company are submitted to the BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') immediately after approval of the Board. The results of the Company are published in one English daily newspaper [Business Standard (English)] and one Marathi newspaper [Navshakti (Vernacular)] within 48 hours of approval thereof and are also posted on Company's website www.wockhardt.com
- **Annual Report:** Annual Report containing, *inter alia*, the Audited Standalone and Consolidated financial statements, Board's Report, Independent Auditors' Report, Corporate Governance Report, Business Responsibility Report, Management Discussion & Analysis (MD&A) is circulated to the members and others entitled thereto. The same is also available on the website of the Company www.wockhardt.com

- **Reminders to Shareholders:** The Company sends reminders periodically to all those shareholders who have not encashed their dividend declared by the Company in the earlier years.
- **Chairman's Communication/Letter:** The Chairman's speech is distributed to the shareholders at the AGM. The same is also placed on the website of the Company. Further, the quarterly results are sent to the members of the Company by way of Chairman's letter.
- **Exclusively Designated Email ID:** The Company has designed Email Id: investorrelations@wockhardt.com exclusively for shareholders/investors servicing.
- **Uploading on NSE Electronic Application Processing System (NEAPS) and BSE Corporate Compliance & Listing Centre (BSE Listing Centre):** NEAPS and BSE Listing Centre are web-based applications designed by NSE and BSE respectively. The quarterly results, quarterly/periodic compliances, corporate actions, and all other corporate communications to the stock exchanges are filed electronically on NEAPS for NSE and on BSE Listing Centre for BSE.

  The Company also mandatorily uploads corporate governance, shareholding pattern, financial results, voting results, reconciliation of share capital audit report etc. and disclosures under SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, on NEAPS and BSE Listing Centre in XBRL mode.
- **SEBI Complaints Redressal System (SCORES):** SCORES is an online facility, where investors can submit their complaints for redressal by the RTA/Company. The investor complaints are processed in a centralized web-based complaints address system. The salient features of this system are: centralized database of all complaints, online upload of Action Taken Report (ATRs) by companies and online viewing by investors of actions taken on the complaint and its current status.

7. CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

The Certificate from Mr. Virendra Bhatt, Practicing Company Secretary, regarding compliance of conditions of Corporate Governance for the financial year ended 31st March, 2019 forms part of this Report.

8. GENERAL SHAREHOLDER INFORMATION

20th Annual General Meeting

The 20th AGM of the Company will be held on Wednesday, 14th August, 2019 at 12.00 noon at The Benchmark, Nakshatrawadi, Paithan Road, Aurangabad- 431 005.

Financial Year and Tentative Financial Calendar

Financial Year – 1st April to 31st March

Tentative Schedule for declaration of financial results during the financial year 2019-20 and holding of AGM is as under:

Results of Quarter ending 30th June, 2019	On or before 14th August, 2019
Results of Quarter ending 30th September, 2019	On or before 14th November, 2019
Results of Quarter ending 31st December, 2019	On or before 14th February, 2020
Results for financial year ending 31st March, 2020	On or before 30th May, 2020
AGM for the year ending 31st March, 2020	On or before 30th September 2020

Book Closure Date

6th August, 2019 to 14th August, 2019 (both days inclusive)

Dividend Payment Date

The dividend on preference shares, if declared at the ensuing AGM, will be paid to the preference shareholders within 15 days from the date of AGM.

Listing on Stock Exchanges

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.

Stock Codes

(a) Stock code

BSE Limited (BSE) : 532300

National Stock Exchange of India Limited (NSE) : WOCKPHARMA

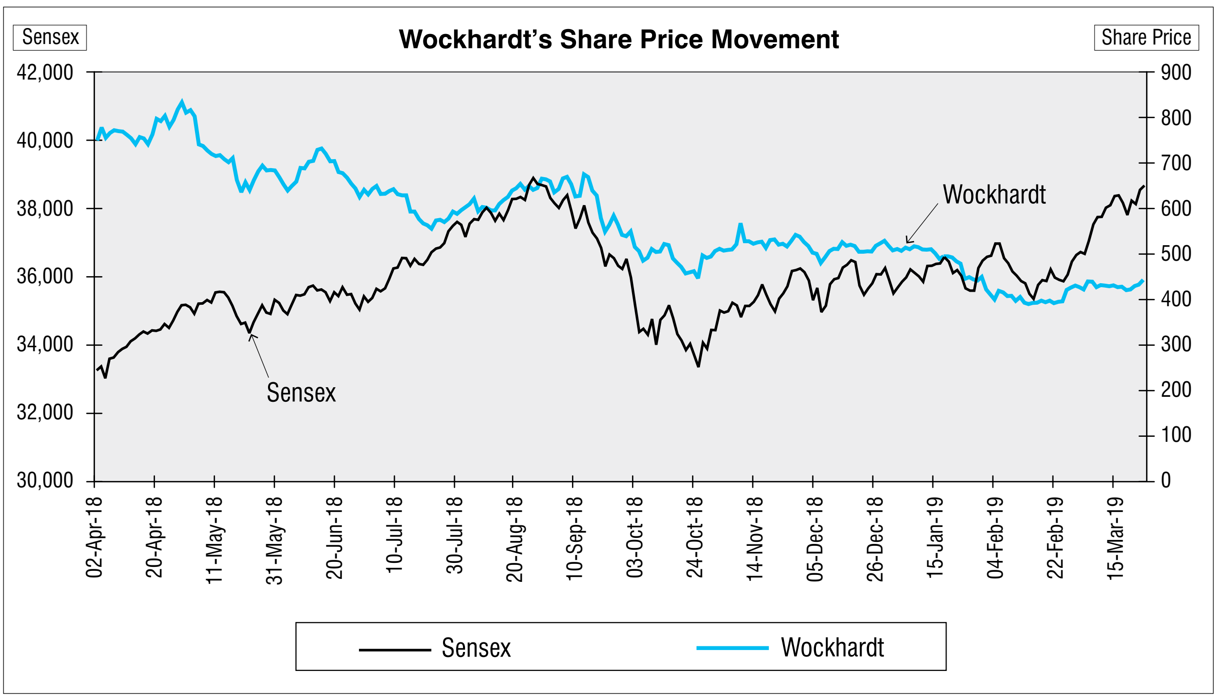
(b) Corporate Identity Number (CIN) : L24230MH1999PLC120720

MARKET PRICE DATA: High/Low and number of shares traded during each month in the financial year 2018-19 on NSE and BSE

Month	NSE			BSE		
	High (₹)	Low (₹)	Monthly Volume	High (₹)	Low (₹)	Monthly Volume
April - 2018	852.65	723.45	28,919,980	852.55	724.30	3,072,063
May - 2018	844.75	631.95	33,426,399	844.20	624.05	4,337,531
June - 2018	749.00	616.10	31,800,762	748.80	618.00	3,572,961
July - 2018	659.00	549.30	25,797,718	659.00	549.20	2,548,676
August - 2018	679.75	584.60	30,183,344	679.75	586.05	3,039,193
September - 2018	692.20	531.20	35,001,845	691.30	503.00	3,355,117
October - 2018	566.65	437.45	35,273,111	566.00	437.10	4,184,492
November - 2018	578.45	495.30	37,563,207	578.00	496.00	4,017,715
December - 2018	551.50	472.00	25,346,937	551.25	470.00	2,277,336
January - 2019	536.00	426.85	23,953,514	535.30	429.65	2,568,992
February - 2019	455.00	380.35	26,557,516	458.00	375.00	2,744,358
March - 2019	450.80	396.20	36,218,007	450.20	396.05	3,990,320

Source: Websites of NSE and BSE

STOCK PRICE PERFORMANCE INDEX IN COMPARISON WITH BSE SENSEX FOR THE FINANCIAL YEAR 2018-19



Source: Website of BSE

9. REGISTRAR & TRANSFER AGENTS

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
Email: wockhardt@linkintime.co.in
Website: www.linkintime.co.in

10. SHARE TRANSFER SYSTEM

In order to expedite the process of share transfers, the Board has delegated the powers severally to the Chairman, Managing Director, Company Secretary and RTA. Share transfers in physical form upto 31st March, 2019 were processed by RTA and the share certificates were generally returned to the transferees within a period of 15 days from the date of receipt of transfer documents provided that the transfer documents were complete in all respects. Requests for dematerialization of shares are processed and the confirmation is given to depositories within 15 days/30 days, from the date of receipt, as may be applicable, if the documents are in order.

The Company has complied with the requirements of Regulation 40 read with Schedule VII of the SEBI Listing Regulations with respect to all formalities of transfer or transmission of shares.

Your Company obtains a half-yearly Compliance Certificate from a Company Secretary in Practice as required under Regulation 40(9) of the SEBI Listing Regulations and file a copy of the said Certificate with the Stock Exchanges.

Pursuant to Regulation 7(3) of the SEBI Listing Regulations, Compliance Certificate, duly signed by the Compliance Officer and the authorized representative of the Company's RTA viz. Link Intime India Private Limited confirming that all activities in relation to share transfer facility are being maintained by the RTA for the half year ended 30th September, 2018 and 31st March 2019 have been duly submitted to the Stock Exchanges.

11. DEMATERIALISATION OF SHARES AND LIQUIDITY

The Company's equity shares are compulsorily traded in electronic form and are available for trading with both the Depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31st March, 2019, 109,853,666 equity shares representing 99.25% of the Company's total paid-up equity share capital were held in dematerialized mode. Out of Public Shareholding of 28,700,821 equity shares, 27,868,284 equity shares representing 97.10% of the Public Shareholding is in dematerialized mode.

The International Securities Identification Number (ISIN) assigned to Company's Equity Shares is INE049B01025.

12. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2019

No. of Equity Shares	No. of Shareholders	% of total Shareholders	Amount in ₹	% of total Amount
1 – 500	110,666	94.07	41,407,795	7.48
501 – 1000	4,723	4.02	16,337,855	2.95
1001 – 2000	1,196	1.02	8,625,200	1.56
2001 – 3000	361	0.31	4,571,355	0.83
3001 – 4000	178	0.15	3,186,140	0.58
4001 – 5000	121	0.10	2,797,870	0.51
5001 – 10000	181	0.15	6,559,040	1.18
Above 10000	210	0.18	469,945,760	84.91
TOTAL	**117,636**	**100.00**	**553,431,015**	**100.00**

13. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2019

Sr. No.	Categories	No. of Equity Shares	Amount in ₹	% to total Paid-up Capital
A)	Promoters & Promoter Group	**81,985,382**	**409,926,910**	**74.07**
B)	Public shareholding	**28,700,821**	**143,504,105**	**25.93**
C)	Non-Promoter – Non Public	—	—	—
C1)	Shares Underlying DRs	—	—	—
C2)	Shares Held By Employee Trust	—	—	—
	TOTAL (A+B+C)	**110,686,203**	**553,431,015**	**100.00**

Note:

The details of outstanding preference shares of the Company as on 31st March, 2019 are as under:

- *160,000,000 0.1% Non-Convertible Cumulative Redeemable Preference Shares (NCRPS Series 5) of ₹ 5 each; and*
- *500,000,000 4% Non-Convertible Non-Cumulative Redeemable Preference Shares (NCCRPS) of ₹ 5 each.*

These NCRPS Series 5 and NCCRPS are not listed on the Stock Exchanges.

Further, during the year, paid up Equity Share Capital of the Company has been increased by ₹ 278,750 due to allotment of 55,750 equity shares of ₹ 5 each pursuant to exercise of stock options.

14. UNCLAIMED DIVIDENDS

The Company is required to transfer dividend which have remained unpaid/unclaimed for a period of seven years to the Investor Education and Protection Fund ('IEPF') established by the Central Government. The dividend declared during the year ended 31st December, 2008 were transferred to IEPF Account. No dividend was due to be transferred to IEPF account thereafter and as on date. Hence, there were no shares due for transfer (as on date) to IEPF Account in accordance with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 dated 5th September 2016, as amended from time to time.

The details of Unpaid Dividend and their due dates for transfer to the IEPF are given below:

Financial Year	Type of Dividend	Date of Declaration	Due date of transfer to IEPF
2012-13	Final	2nd September, 2013	7th October, 2020
2013-14	1st Interim	25th October, 2013	29th November, 2020
2013-14	2nd Interim	9th February, 2014	16th March, 2021
2014-15	Interim	3rd November, 2014	8th December, 2021
2016-17	Interim	10th November, 2016	16th December 2023

Members who have not encashed dividend, as detailed above, are requested to have them revalidated and encash to avoid transfer to IEPF.

15. OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

As on 31st March, 2019, the Company has no outstanding GDR's and convertible instruments.

During the year ended 31st March, 2019, the Company has redeemed 121,454,927 Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS Series 2) of face value of ₹ 5 each; and 315,659,941 Non-Convertible Cumulative Redeemable Preference Shares (NCCRPS Series 2 and Series 3) of face value of ₹ 5 each on pre-determined terms and conditions as decided earlier at the time of issuance of the said preference shares in the years 2010/2011. The said preference shares were redeemed on the due date of redemption i.e. 31st December, 2018.

16. EQUITY SHARE CAPITAL HISTORY OF THE COMPANY SINCE INCORPORATION UP TO 31ST MARCH, 2019

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

Date of allotment	No. of equity shares	Cumulative No. of Equity Shares	Face value (in ₹)	Consideration	Nature of allotment	Cumulative share capital (in ₹)
08.05.2004	36,332,002	108,996,006	5	Bonus shares	Allotment of bonus shares in the ratio of 1:2	544,980,030
21.01.2005	70,350	109,066,356	5	Cash	Allotment of shares pursuant to exercise of stock options	545,331,780
21.02.2005	29,550	109,095,906	5	Cash		545,479,530
14.03.2005	25,350	109,121,256	5	Cash		545,606,280
06.04.2005	17,250	109,138,506	5	Cash		545,692,530
09.06.2005	4,149	109,142,655	5	Cash		545,713,275
12.09.2005	13,299	109,155,954	5	Cash		545,779,770
13.10.2005	141,397	109,297,351	5	Cash	FCCB Conversion	546,486,755
09.11.2005	2,250	109,299,601	5	Cash	Allotment of shares pursuant to exercise of stock options	546,498,005
11.01.2006	81,000	109,380,601	5	Cash		546,903,005
28.02.2006	39,450	109,420,051	5	Cash		547,100,255
28.04.2006	5,850	109,425,901	5	Cash		547,129,505
16.08.2006	10,002	109,435,903	5	Cash		547,179,515
19.12.2012	122,200	109,558,103	5	Cash		547,790,515
21.01.2013	25,300	109,583,403	5	Cash		547,917,015
29.08.2013	167,750	109,751,153	5	Cash		548,755,765
07.04.2014	8,000	109,759,153	5	Cash		548,795,765
29.05.2014	248,750	110,007,903	5	Cash		550,039,515
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

17. ADDRESS FOR CORRESPONDENCE

Shareholders should address their correspondence to the Company's RTA, Link Intime India Private Limited at C-101, 247 Embassy Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai - 400 083, Tel No: +91 22 4918 6270 Email : wockhardt@linkintime.co.in

Shareholders can also address their correspondence to the Secretarial Department at the Global Headquarters of the Company at Wockhardt Towers, Bandra - Kurla Complex, Bandra (East), Mumbai 400 051. Tel No. 022 2653 4444; Fax: 022 2652 7860; Email: investorrelations@wockhardt.com

Further, if the shareholders are not satisfied with the response, they can also lodge their complaints online on SCORES. All the complaints received through SCORES during the year under review were responded timely.

Shareholders holding shares in dematerialized form are requested to intimate their correspondence relating to their Bank details, ECS mandates, nominations, power of attorney, change of address, etc. to their respective Depository Participant.

18. PLANT LOCATIONS

Formulations		Bulk Drugs
L-1, MIDC Area, Chikalthana, Aurangabad – 431 210 Maharashtra	Plot No. 87/A, Silver Industrial Estate, Bhimpore, Nani Daman – 396 210, Daman	Plot No. 138, GIDC Industrial Estate, Ankleshwar – 393 002, Gujarat
E-1/1, MIDC, Shendra, Aurangabad – 431 201 Maharashtra	Survey No. 106/4,5,7 Daman Industrial Estate, Kadaiya, Nani Daman – 396 210, Daman	
H-14/2, MIDC, Waluj, Aurangabad – 431 136 Maharashtra	57, Kunjhal, Barotiwala, Nalagarh, District Solan – 174 103, Himachal Pradesh	
B-15/2, MIDC, Waluj, Aurangabad – 431 136 Maharashtra		

19. LIST OF ALL CREDIT RATINGS OBTAINED ALONG WITH THE REVISIONS THERETO DURING THE RELEVANT FINANCIAL YEAR FOR ALL DEBT INSTRUMENTS OR ANY FIXED DEPOSIT PROGRAMME OR ANY SCHEME OR PROPOSAL INVOLVING MOBILISATION OF FUNDS WHETHER IN INDIA OR ABROAD

(a) CARE Ratings

Sr. No.	Name of the Instrument/ Bank Facilities	Last Rating assigned before beginning of FY 2018-19	Revisions in ratings assigned in FY 2018-19 date-wise	Current Rating
1.	Fund-based	CARE A+; Stable	1) CARE A; Negative (15th May, 2018) 2) CARE BBB-; Negative (19th October, 2018)	CARE BBB-; Negative
2.	Non-fund-based	CARE A1	1) CARE A3 (19th October, 2018)	CARE A3
3.	Debentures – Non-Convertible Debentures	CARE A+; Stable	1) CARE A; Negative (15th May, 2018) 2) CARE BBB-; Negative (19th October, 2018)	CARE BBB-; Negative

(b) India Ratings & Research

Sr. No.	Name of the Instrument/ Bank Facilities	Last Rating assigned before beginning of FY 2018-19	Revisions in ratings assigned in FY 2018-19 date-wise	Current Rating
1.	Fund-based/Term Loan	IND A/Negative	1) IND BBB/Negative (12th October, 2018) 2) IND BBB-/Negative (29th March, 2019)	IND BBB-/Negative
2.	Non-fund-based	IND A1	1) IND A3+ (12th October, 2018) 2) IND A3 (29th March, 2019)	IND A3
3.	Commercial Paper/Short-term debt programme	IND A1	1) IND A3+ (12th October, 2018) 2) IND A3 (29th March, 2019)	IND A3

20. DETAILS OF UTILISATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT AS SPECIFIED UNDER REGULATION 32(7A)

During the year under review, the Capital Raising Committee allotted 500,000,000 numbers of 4% Non-Convertible Non-Cumulative Redeemable Preference Shares ('NCCRPS') of face value of ₹ 5 each, at par, on preferential basis, for an aggregate amount of ₹ 250 Crore (Rupees Two Hundred Fifty Crore only) to the promoter group entities.

The money raised from issuance of above NCCRPS was utilized in redemption of 121,454,927 Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS Series 2) of face value of ₹ 5 each; and 315,659,941 Non-Convertible Cumulative Redeemable Preference Shares (NCCRPS Series 2 and Series 3) of face value of ₹ 5 each on its due date of redemption i.e. 31st December, 2018.

21. CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE ON NON-DISQUALIFICATION OF DIRECTORS OF THE COMPANY

A Certificate has been received from Mr. Virendra Bhatt, Practicing Company Secretary, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such Statutory Authority.

22. TOTAL FEES FOR ALL SERVICES PAID TO THE STATUTORY AUDITORS

The total fees for all the services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors and all entities in the network firm/network entity of which Statutory Auditors is a part is as follows:

(₹ in crore)

Particulars	**For the year ended 31st March, 2019**
Audit Fees	1.24
Tax Audit Fees*	0.27
Other Services	0.56
Out-of-pocket expenses	0.03
Total Auditor's Remuneration	**2.10**

** Tax Audit Fees includes ₹ 0.06 crore pertaining to FYs 2016-17 and 2017-18.*

23. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT

During the year under review, it was observed that there were certain shares lying undelivered/unclaimed with the Company. The Company under Regulation 39(4) read with Schedule VI of the SEBI Listing Regulations is required to send three reminders to the concerned shareholders. In case, the Company does not receive the positive reply from those shareholders, the Company would transfer such shares to the Unclaimed Suspense Account.

24. DISCLOSURES IN RELATION TO SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDERESSAL) ACT, 2013

The details have been disclosed in the Business Responsibility Report and Management Discussion & Analysis forming part of this Annual Report.

For and on behalf of Board of Directors

Dr. H. F. Khorakiwala
Chairman
DIN: 00045608

Place: Mumbai
Date: 6th May, 2019

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, 2019 from all the Board Members and the Senior Management Personnel.

For **WOCKHARDT LIMITED**

Dr. Murtaza Khorakiwala
Managing Director
DIN: 00102650

Place: Mumbai
Date: 6th May, 2019

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, 2019, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') as referred to in Regulation 15(2) of the SEBI Listing Regulations for the year ended 31st March 2019.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. My examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the Compliance with the conditions of Corporate Governance as stipulated in the said Regulations. It is neither an audit nor an expression of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations, as applicable.

In my opinion and to the best of my information and according to the explanation given to me and based on the representations made by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations, as applicable.

I further state that such compliance is neither an assurance to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Virendra Bhatt
Practicing Company Secretary
ACS No.: 1157; CP No.: 124

Place: Mumbai
Date : 6th May, 2019

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

- Haribhakti & Co., LLP

Solicitors

- Cyril Amarchand Mangaldas
- Khaitan & Co., LLP
- Clifford Chance
- King and Spalding

Registered Office:

D-4 MIDC
Chikalthana
Aurangabad-431006. India
CIN: L24230MH1999PLC120720

Phone: 91-240-6694444

Fax: 91-240-2489219

Website: www.wockhardt.com

SHAPING TOMORROW THROUGH EXCELLENCE

Wockhardt Wins IP Excellence Award

Wockhardt Intellectual Property (IP) practices were recognised and lauded with 'IP Excellence in India, 2018' Award by Questel, one of the world's leading intellectual property management companies delivering complete software and service solutions for each stage of the innovation lifecycle.

Dr. Huzaifa Khorakiwala Wins CEO of the Year Award

At the 9th Annual India Leadership Conclave & Indian Affairs Business Leadership Awards 2018, Dr. Huzaifa Khorakiwala was conferred with 'CEO of the Year, 2018' Award. India Leadership Conclave is the most definitive destination of leadership gatherings that recognises and celebrates outstanding and remarkable achievements by leaders in all walks of life.

Wockhardt Global School is now an IB World School

Wockhardt Global School (WGS) received accreditation from International Baccalaureate (Geneva, Switzerland) within just 18 months of establishment, becoming the first and only IB World School in Aurangabad and the entire Marathwada region. WGS was selected as one of the 10 most beautiful schools in the world by 'World Architecture Forum' in Berlin, Germany, in 2017.

WOCKHARDT WORLDWIDE

GLOBAL HEADQUARTERS

Wockhardt Limited
Wockhardt Towers
Bandra Kurla Complex
Bandra (East), Mumbai-400051
Maharashtra, India
Tel: +91 22 26534444
Fax: +91 22 26523905

Wockhardt Bio AG
Grafenauweg 6
6300 ZUG, Switzerland
Tel: +41 41 7275220
Fax: +41 41 7275221

REGISTERED OFFICE

Wockhardt Limited
D-4, MIDC, Chikalthana
Maharashtra-431006, India
Tel: +91 240 6694444
Fax: +91 240 2489219

RESEARCH CENTRES

Wockhardt Research Centre
D-4, MIDC, Chikalthana
Maharashtra-431006, India
Tel: +91 240 6694444

Morton Grove Pharmaceuticals Inc
6451 Main Street
Morton Grove
Illinois 60053-2633, USA
Tel: +1 847 9675600

CP Pharmaceuticals Limited
Ash Road North
Wrexham Industrial Estate
Wrexham, LL13 9UF Wales, UK
Tel: +44 1978 661261

INTERNATIONAL GROUP COMPANIES

Wockhardt USA LLC
20 Waterview Boulevard, 3rd Floor
Parsippany NJ 07054-1229, USA
Tel: +1 973 2574960

Morton Grove Pharmaceuticals Inc
6451 Main Street, Morton Grove
Illinois 60053-2633, USA
Tel: +1 847 9675600

Wockhardt UK Limited
Ash Road North
Wrexham Industrial Estate
Wrexham, LL13 9UF Wales, UK
Tel: +44 1978 661261

CP Pharmaceuticals Limited
Ash Road North
Wrexham Industrial Estate
Wrexham, LL13 9UF Wales, UK
Tel: +44 1978 661261

Pinewood Healthcare
Ballymacarbry, Clonmel
Co. Tipperary, Ireland
Tel: +353 52 6186000

Laboratoires Negma
Buroplus 3
ZA de la Clef St Pierre
1 Bis Avenue Jean D'alembert
CS 80563
78996 Elancourt Cedex, France
Tel: (0033) 1 61 37 20 00

MANUFACTURING PLANTS

Wockhardt Limited
B-15/2, MIDC Waluj
Maharashtra-431136, India
Tel: +91 240 6636400

Wockhardt Limited
H-14/2, MIDC
Area Waluj
Maharashtra-431136, India
Tel: +91 240 6664444

Wockhardt Limited
L-1, MIDC, Chikalthana
Maharashtra-431210, India
Tel: +91 240 6637444

Wockhardt Limited
E-1/1, MIDC, Shendra
Maharashtra-431154, India
Tel: +91 240 6662222

Wockhardt Limited
87-A, Silver Industrial Estate
Bhimpore, Nani Daman
Daman-396210, India
Tel: +91 260 6610300

Wockhardt Limited
106-4/5/7, Daman Industrial Estate
Kadaiya, Nani Daman
Daman-396210, India
Tel: + 91 260 6633200

Wockhardt Limited
138, GIDC Estate
Ankleshwar-393002
Gujarat, India
Tel: +91 2646 661400

Wockhardt Limited
P.O. Barotiwala, District Solan
Himachal Pradesh-174103, India
Tel: +91 1795 664444

CP Pharmaceuticals Limited
Ash Road North
Wrexham Industrial Estate
Wrexham, LL13 9UF Wales, UK
Tel: +44 1978 661261

Pinewood Healthcare
Ballymacarbry, Clonmel
Co. Tipperary, Ireland
Tel: +353 52 6186000

Morton Grove Pharmaceuticals Inc
6451 Main Street, Morton Grove
Illinois 60053-2633, USA
Tel: +1 847 9675600

WOCKHARDT LIMITED

Registered Office: D-4 MIDC, Chikalthana, Aurangabad – 431 006
Global Headquarters: Wockhardt Towers, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051
CIN: L24230MH1999PLC120720
Telephone: 91-240-6694444; **Fax:** 91-240-2489219
Email id: investorrelations@wockhardt.com; **Website:** www.wockhardt.com

NOTICE

Notice is hereby given that the Twentieth Annual General Meeting ('AGM') of the members of **WOCKHARDT LIMITED** will be held at The Benchmark, Nakshatrawadi, Paithan Road, Aurangabad – 431 005 on Wednesday, 14th August, 2019 at 12.00 noon to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt:
   a. the Audited Financial Statement of the Company for the financial year ended 31st March, 2019 together with the Reports of the Board of Directors and Auditors thereon; and
   b. the Audited Consolidated Financial Statement of the Company for the financial year ended 31st March, 2019 and the Report of Auditors thereon.
2. To declare dividend on Preference Shares at the rate of 0.01% and 4% on Non-Convertible Cumulative Redeemable Preference Shares and Non-Convertible Non-Cumulative Redeemable Preference Shares respectively.
3. To appoint a Director in place of Dr. Murtaza Khorakiwala (DIN: 00102650), who retires by rotation and being eligible, offers himself for re-appointment.
4. **Appointment of M/s. B S R & Co. LLP, Chartered Accountants as Statutory Auditors of the Company and Fixation of Remuneration**

   To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. B S R & Co. LLP, Chartered Accountants (ICAI Firm Registration No.: 101248W), be and are hereby appointed as the Statutory Auditors of the Company, for a term of 5 (five) consecutive years i.e. from the conclusion of Twentieth Annual General Meeting till the conclusion of Twenty Fifth Annual General Meeting of the Company, on such terms and remuneration as agreed upon between the Audit Committee/Board of Directors and the Auditors."

SPECIAL BUSINESS

5. **Re-appointment of Dr. H. F. Khorakiwala as an Executive Chairman and Fixation of Remuneration**

   To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

   "**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 198 and any other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V of the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to other requisite approvals, if any, consent of the members be and is hereby accorded to re-appoint Dr. H. F. Khorakiwala (DIN: 00045608), aged 76 years, as an Executive Chairman of the Company, for a further period of 5 (five) years from the expiry of his present term of office, that is, with effect from 1st March, 2020.

   RESOLVED FURTHER THAT in the absence of profits or inadequate profits, consent of the members be and is hereby accorded to pay remuneration to Dr. H. F. Khorakiwala, Executive Chairman, for a period of 3 (three) years commencing from 1st March, 2020 to 28th February, 2023, including terms and conditions, as stated below:

   (A) Basic Salary:

   ₹ 14,00,000 (Rupees Fourteen Lacs Only) per month

(B) Perquisites / Allowances:

Other benefits, perquisites and allowances (viz. housing, furnishing & repairs, security services, utility allowances like gas, electricity, water, car & driver, insurance, leave travel concession for self and family, medical reimbursement, club membership, telephone etc.).

The amount of such perquisites and allowances shall be as per Company's policy and rules. However, the total amount of such basic salary; and perquisites & allowances shall not exceed in aggregate of ₹ 2,80,00,000 (Rupees Two Crore Eighty Lacs Only) per annum.

(C) Contribution to provident fund and superannuation fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961, gratuity payable at rate not exceeding half a month's salary for each completed year of service and encashment of leave at the end of the tenure.

The items in part (C) shall not be included in the computation of limits for the remuneration or perquisites or allowances aforesaid.

RESOLVED FURTHER THAT in accordance with the provisions of Sections 196, 197 and 198 and any other applicable provisions, if any, of the Act and the Rules made thereunder read with Schedule V of the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), in the event of adequacy of profits for any financial year during the tenure of Dr. H. F. Khorakiwala, Executive Chairman, consent of the members be and is hereby accorded to pay remuneration to him as under:

- The total remuneration payable to Dr. H. F. Khorakiwala shall be within the limits prescribed under Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with Sections 197 and 198 of the Act, as amended.
- Remuneration shall consist of any and/or all of the following:
  a) Monthly salary, as may be decided by the Board;
  b) Commission; and
  c) Perquisites / Allowances
- Other benefits, perquisites and allowances (viz. housing, furnishing & repairs, security services, utility allowances like gas, electricity, water, car & driver, insurance, leave travel concession for self and family, medical reimbursement, club membership, telephone etc.)

RESOLVED FURTHER THAT the term of office of Dr. H. F. Khorakiwala as an Executive Chairman shall not be liable to retire by rotation and his notice period shall be governed by the service rules of the Company.

RESOLVED FURTHER THAT subject to the provisions of the Act and the rules, circulars, orders and notifications issued thereunder read with Schedule V of the Act and/or guidelines for managerial remuneration issued by Government of India or other appropriate authority in that behalf as in force and as amended from time to time (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Board be and is hereby authorised to increase or vary the remuneration to be paid and provided from time to time to Dr. H. F. Khorakiwala, Executive Chairman, within the aforesaid limits.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or any Director or Officer to give effect to the resolution hereof".

6. **Re-appointment of Ms. Tasneem Mehta as an Independent Director of the Company**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 ('Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Schedule IV to the Act and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure

Requirements) Regulations, 2015, as amended (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Ms. Tasneem Mehta (DIN: 05009664), aged 65 years, who was appointed as an Independent Director and who holds office of Independent Director upto 29th September, 2019 and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years from 30th September, 2019 to 29th September, 2024.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to the said resolution."

7. **Ratification of remuneration payable to Cost Auditors for the Financial Year 2019-20**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014, as amended (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of ₹ 3,35,000 plus applicable taxes and reimbursement of out-of-pocket expenses payable to M/s. Kirit Mehta & Co., Cost Accountants (Firm Registration No. 000353), appointed as Cost Auditors for conducting cost audit of the Company for the financial year ending on 31st March, 2020, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to the said resolution."

8. **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**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 42 and 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules and regulations made thereunder (including any amendments, statutory modification(s) and/ or re-enactment(s) thereof for the time being in force) ('Companies Act'), the relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (including any amendment, modification, variation or re-enactment thereof) ('ICDR Regulations') and in accordance with the provisions of the Memorandum and Articles of Association of the Company, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable, the provisions of the Foreign Exchange Management Act, 1999, including any amendments, statutory modification(s) and/ or re-enactment(s) thereof ('FEMA') and the Foreign Exchange Management (Transfer or Issue of Securities by a Person Resident Outside India) Regulations, 2017 including any amendments, statutory modification(s) and/ or re-enactment(s) thereof, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares through (Depository Receipt Mechanism) Scheme, 1993, as amended ('FCCB Scheme') and the Depository Receipts Scheme, 2014 ('GDR Scheme') and all other applicable statutes, rules, regulations, guidelines, notifications, circulars and clarifications as may be applicable, as amended from time to time, issued by the Government of India ('GOI'), Ministry of Corporate Affairs ('MCA'), the Reserve Bank of India ('RBI'), BSE Limited and National Stock Exchange of India Limited ('Stock Exchanges'), the Securities and Exchange Board of India ('SEBI'), and/ or any other regulatory/ statutory authorities, in India or abroad from time to time, to the extent applicable and subject to the approvals, permits, consents and sanctions of any regulatory/ statutory authorities and guidelines and clarifications issued thereon from time to time and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include Capital Raising Committee of the Board of Directors of the Company constituted by the Board to exercise its powers including powers conferred by this resolution), the consent of the members be and is hereby accorded to the Board to offer, issue and allot (including with provisions for reservations on firm and/ or competitive basis, for such part of issue and for such categories of persons as may be permitted) such number of equity shares of the Company of face value ₹ 5 each ('Equity Shares'), Global Depository Receipts ('GDRs'), American Depository Receipts ('ADRs'), Foreign Currency Convertible Bonds ('FCCBs') and / or other securities convertible into Equity Shares (including warrants, or otherwise), fully convertible debentures, partly convertible debentures, non-convertible debentures with warrants and/ or convertible preference shares or any security convertible into Equity Shares (hereinafter referred to as 'Securities'), or any combination thereof, in one or more tranches, whether Rupee denominated or denominated in foreign currency, in the course of Indian and / or International offering(s) in one or more foreign markets, for cash, at such price or prices, in terms of the applicable regulations and as permitted under the applicable laws, in such manner in consultation with the Merchant Banker(s) and/or other Advisor(s) or otherwise, for an aggregate amount not exceeding ₹ 1,500 crore (Rupees One Thousand Five Hundred Crore Only) by way of one or more public and/or private offerings including qualified institutions placement ('QIP') in accordance with the provisions of Chapter VI of the ICDR Regulations, to such investors that may be permitted to invest in such issuance of Securities, including eligible qualified institutional buyers ('QIBs') (as defined in the ICDR Regulations), foreign/resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), venture capital funds (foreign or Indian), alternate investment funds, foreign institutional investors, foreign portfolio investors, Indian and/ or multilateral financial institutions, mutual funds, insurance companies, non-resident Indians, pension funds and/or any other categories of investors, whether or not such investors are members of the Company, to all or any of them, jointly or severally through an offer/placement document and/or other letter or circular ('Offering Circular') as may be deemed appropriate, in the sole discretion by the Board in such manner and on terms and conditions, including the terms of the issuance, security, fixing of record date, and at such price, whether at a premium or discount to market price as may be permitted under applicable law and/or as may be permitted by the relevant regulatory / statutory authority, in such manner and on such terms as may be deemed appropriate by the Board at its absolute discretion (the 'Issue') and without requiring any further approval or consent from the shareholders.

RESOLVED FURTHER THAT pursuant to the above mentioned resolutions:

a) the Securities proposed to be issued, offered and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company, the Companies Act and other applicable laws;

b) the Equity Shares that may be issued by the Company shall rank *pari passu* with the existing Equity Shares of the Company in all respects; and

c) Equity Shares to be issued on conversion of Securities convertible into Equity Shares shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, consolidation of stock, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate re-organisation or restructuring.

RESOLVED FURTHER THAT in the event the proposed issuance of Securities is undertaken by way of a QIP in terms of Chapter VI of the ICDR Regulations (hereinafter referred to as "Eligible Securities" within the meaning of the ICDR Regulations), the allotment of Eligible Securities (or any combination of Eligible Securities as may be decided by the Board) shall be completed within a period of 365 days from the date of passing of this resolution or such other time as may be allowed under the ICDR Regulations from time to time.

RESOLVED FURTHER THAT in the event that Equity Shares are issued through a QIP in terms of Chapter VI of the ICDR Regulations, the relevant date for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board decides to open the proposed issue of Equity Shares as Eligible Securities and in case Eligible Securities are eligible convertible securities, then either the date of the meeting in which the Board decides to open the proposed issue or the date on which holder of Eligible Securities become eligible to apply for Equity Shares, as may be determined by the Board or such date as may be permitted under ICDR Regulations, as amended.

RESOLVED FURTHER THAT in the event the Securities are proposed to be issued as FCCBs, or GDRs, the relevant date for the purpose of pricing the Securities shall be determined in accordance with the FCCB Scheme and the GDR Scheme, as the case may be (including any amendments thereto or re-enactment thereof, for the time being in force) or as may be permitted under applicable law.

RESOLVED FURTHER THAT any issue of Eligible Securities made by way of a QIP under Chapter VI of ICDR Regulations shall be at such price which is not less than the price determined in accordance with the pricing formula provided under Chapter VI of the ICDR Regulations ('QIP Floor Price'). Furthermore, the Board may, at its absolute discretion, also offer a discount of not more than 5% (five per cent) or such other percentage as may be permitted under applicable law to the QIP Floor Price.

RESOLVED FURTHER THAT price determined for issuance of Eligible Securities through a QIP under Chapter VI of the ICDR Regulations shall be subject to appropriate adjustments as per the provisions of Regulation 176(4) of the ICDR Regulations, as may be applicable.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Securities or Equity Shares on conversion of Securities, the Board be and is hereby authorised on behalf of the Company to seek listing of any or all of such Securities or Equity Shares as the case may be, on one or more Stock Exchanges in India or outside India and the listing of Equity Shares underlying the ADRs and/or GDRs on the Stock Exchanges in India.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the Securities may have such features and attributes or any terms or combination of terms in accordance with domestic and international practices to provide for the tradability and free transferability thereof as per applicable law including but not limited to the terms and conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever including terms for issue of additional Equity Shares or variation of the conversion price of the Securities during the duration of the Securities and the Board be and is hereby authorised in its absolute discretion, in such manner as it may deem fit, to dispose of such of the Securities that are not subscribed in accordance with applicable law.

RESOLVED FURTHER THAT the Board be and is hereby authorised to appoint lead manager(s), underwriters, depositories, custodians, registrars, bankers, lawyers, advisors, debenture trustees and all such agencies as are or may be required to be appointed, involved or concerned and to remunerate them by way of commission, brokerage, fees or the like and also to reimburse them out of pocket expenses incurred by them and also to enter into and execute all such arrangements, agreements, memoranda, documents, etc. with such agencies.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized, on behalf of the Company, to take all actions and do all such acts, deeds, actions and sign such documents as may be required in furtherance of, or in relation to, or ancillary to, the Issue, including the finalization and approval of the draft as well as final offer document(s), determining the form and manner of the Issue, identification and class of the investors to whom the Securities are to be offered, utilization of the issue proceeds, authorising any Director(s) or Officer(s) of the Company to sign offer documents, execute any necessary documents, agreements, forms, deeds, appointment of intermediaries, open and close the period of subscription of the Issue, determine the issue price, premium amount on issue/conversion of the Securities, if any, rate of interest and all other terms and conditions of the Securities, utilization of the Issue proceeds, signing of declarations, file any necessary forms with regulatory authorities and allot the Securities and to amend, vary or modify any of the above as the Board may consider necessary, desirable or expedient and to take such steps and to do all such acts, deeds, matters and things as they may deem fit and proper for the purposes of the Issue and resolve and settle all questions or difficulties that may arise in regard to such Issue without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any committee of directors or any director(s) of the Company, including the Capital Raising Committee, in such manner as they may deem fit in their absolute discretion with the power to take such steps and to do all such acts, deeds, matters and things as they may deem fit and proper for the purposes of the Issue and settle any questions or difficulties that may arise in this regard to the Issue."

By **Order of the Board of Directors**

Narendra Singh
Company Secretary

Place : Mumbai
Date : 6th May, 2019

IMPORTANT NOTES:

1. The Register of Members (Equity & Preference) will remain closed from 6th August, 2019 to 14th August, 2019 (both days inclusive).
2. The Explanatory Statement pursuant to Section 102 of the Act in respect of item nos. 4 to 8 is annexed hereto and forms part of this Notice.
3. The relevant documents, if any, referred to in the accompanying Notice and Explanatory Statement will be open for inspection by the members at the Registered Office of the Company during working days (except Saturdays, Sundays and Public Holidays) between 2.00 p.m. to 4.00 p.m.
4. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**

   Proxies, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.

   A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.
5. Corporate members intending to send their authorized representatives are requested to send to the Company a duly certified copy of the resolution passed by the Board of Directors authorizing their representatives to attend and vote at the AGM.
6. Members, Proxies and Authorised Representatives are requested to bring to the meeting, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID/Folio No.
7. A route map providing directions to reach the venue of the 20th AGM is provided in the Notice.
8. Dividend on Preference Shares, if approved by the members at the AGM, will be paid within 15 days from the date of AGM to the preference shareholders whose names appears on the Register of Preference Shareholders as on 5th August, 2019 or Register of Beneficial Owners at the close of business hours on 5th August, 2019, as per details furnished by the Depositories for this purpose.
9. Pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('SEBI Listing Regulations') and Secretarial Standard on General Meetings ('Secretarial Standard - 2'), the details of Directors retiring by rotation and/or seeking re-appointment at the AGM are provided in **'Annexure I' , 'Annexure II'** and **'Annexure III'** to the Notice.
10. Members who have not yet encashed their dividend warrants for the financial year 2012-13 and onwards are requested to contact the Company for the same without any delay.
11. In order to enable the Company to remit dividend, as and when declared, electronically through National Electronic Clearing Services (NECS), National Electronic Fund Transfer (NEFT), etc., members are requested to provide/update details of their bank accounts indicating the name of the bank, branch, account number, nine-digit MICR code and IFSC code (as appearing on the cheque) along with photocopy of the cheque/cancelled cheque. The said information should be submitted to the Company/Registrar and Transfer Agents ('RTA') if the shares are held in physical form and to the concerned Depository Participants ('DP'), if the shares are held in electronic form.
12. Pursuant to the provisions of Section 72 of the Act, members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company are requested to submit details to the RTA of the Company in the prescribed Form SH -13. Members holding shares in demat form may contact their respective DP for recording of nomination.

13. In case of joint holders attending the meeting, the member whose name appears as first holder in the order of names as per Register of Members/Register of Beneficial Owners of the Company will be entitled to vote.

14. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the Company at least seven days before the date of the meeting, so that the information required by the members can be made available at the AGM.

15. Members holding shares:

    a) in electronic (demat) form are advised to inform the particulars of their bank account, change of address and E-mail ID to their respective DP only. The Company or its RTA i.e. Link Intime India Private Limited cannot act on any request received directly from the members holding shares in demat mode for changes in any bank mandates or other particulars etc., and such instructions are required to be given directly by the members to their DP.

    b) in physical form are advised to inform the particulars of their bank account, change of address and E-mail ID to RTA.

16. Members, whether holding shares in electronic or physical mode, are requested to quote their DP ID & Client ID or Folio No. for all correspondences with the Company/RTA.

17. NRI Members are requested to:

    a) change their residential status on return to India permanently.

    b) furnish particulars of bank account(s) maintained in India with complete name, branch, account type, IFSC code, MICR code, account number and address of the bank with PIN Code no., if not furnished earlier.

18. To protect the environment and disseminate all the communication promptly, members who have not registered their E-mail ID so far are requested to register the same with DP/RTA for receiving all the communications including Annual Reports, Notices etc. electronically.

19. Pursuant to SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated 30th November, 2018, it has been mandated by SEBI that, request(s) for effecting transfer of securities, except in case of transmission or transposition of securities, shall not be processed from 1st April, 2019 unless the securities are held in the dematerialised form with the depositories. Therefore, shareholders are requested to take action to dematerialise the equity shares of the Company, promptly.

20. Members holding shares under different Folio nos. in the same names are requested to apply for consolidation of Folios and send relevant Share Certificates to the Company's RTA for doing the needful.

21. It is observed that some members have still not surrendered their old Share Certificate(s) of Equity Shares of face value ₹ 10 each for exchange with the new Share Certificate(s) of Equity Shares of face value ₹ 5 each. Such members are requested to immediately surrender their old Share Certificate(s) of ₹ 10 each to the Company or its RTA for doing the needful.

22. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number ('PAN') by every participant in securities market. Members holding shares in dematerialized form are therefore requested to submit the PAN details to their respective DP. Members holding shares in physical form can submit their PAN details to the Company/RTA.

23. Pursuant to the provisions of Sections 101, 108 and 136 of the Act read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those members who have registered their E-mail ID either with their DP or the Company. The Notice of the AGM along with Annual Report for the year ended 31st March, 2019 is being sent by electronic mode to those members whose E-mail IDs are registered with the Company/ Depositories, unless a member has requested for a physical copy of the same.

Physical copies of the Annual Report are being sent by the permitted mode to those members who have not registered their E-mail IDs or have requested for the physical copy. The Annual Report for the year ended 31st March, 2019 and Notice convening AGM is available on the Company's website www.wockhardt.com

24. **Voting through electronic means**

In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of the SEBI Listing Regulations, the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') will be provided by National Securities Depository Limited ('NSDL').

Mr. Virendra Bhatt, Practicing Company Secretary (ACS No. 1157, CP No. 124) failing which Ms. Indrabala Javeri, Practicing Company Secretary (ACS No. 2209, CP No. 7245) has been appointed as Scrutinizers to scrutinize the remote e-voting process and voting at the venue of AGM in a fair and transparent manner.

Members are requested to note that the business may be transacted through electronic voting system and the Company is providing facility for voting by electronic means. It is hereby clarified that it is not mandatory for a member to vote using remote e-voting facility. A member may avail of the facility at his/her/its discretion, as per the instructions provided.

Facility of voting through Ballot Paper shall be made available at the AGM. Members attending the AGM, who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM.

Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM, but shall not be entitled to cast their vote again at the AGM.

The e-voting period begins on **Saturday, 10th August, 2019 at 9.00 a.m.** (IST) and ends on **Tuesday, 13th August, 2019 at 5.00 p.m.** (IST). The e-voting module shall be disabled by NSDL for voting thereafter.

The members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 7th August, 2019 may cast their vote through e-voting or voting at the AGM.

A person who acquires shares of the Company and become member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. 7th August, 2019 may obtain the Login ID and Password by sending a request at evoting@nsdl.co.in

A person who is not a member as on the cut-off date should treat this Notice for information purposes only.

The process/manner for availing e-voting facility and the instructions for members voting electronically are as under:

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
   a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com
   b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to bhattvirendra1945@yahoo.co.in with a copy marked to evoting@nsdl.co.in
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries/grievances relating to e-voting, you may refer Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available at the Downloads section of www.evoting.nsdl.com or contact Mr. Amit Vishal, Senior Manager, NSDL, at the designated email ids: evoting@nsdl.co.in or amitv@nsdl.co.in or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

25. The voting rights of members shall be in proportion to their shares of the paid-up Equity Share Capital of the Company as of the cut-off date.

26. The Scrutinizer's decision on the validity of the e-voting and Ballot Paper shall be final and binding.

27. The Scrutinizer, after scrutinising the votes cast through e-voting and Ballot Paper, not later than 48 hours from the conclusion of the AGM, make a scrutinizer's report and submit the same to the Chairman or any Director authorised by the Board or Company Secretary who shall countersign the same.

28. The results on resolutions shall be declared on or after the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of requisite number of votes in favour of the resolutions.

29. The results declared along with Scrutinizer's Report shall be placed on the website of the Company www.wockhardt.com and on the website of NSDL https://www.evoting.nsdl.com. The results shall also be communicated to the Stock Exchanges on which shares of the Company are listed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

M/s. Haribhakti & Co. LLP, Chartered Accountants, were appointed as the Statutory Auditors of the Company, for a period of 5 years from the conclusion of 15th AGM till the conclusion of 20th AGM pursuant to the provisions of Section 139(1) of the Act read with the Companies (Audit and Auditors) Rules, 2014.

The term of M/s. Haribhakti & Co. LLP, Chartered Accountants, as the Statutory Auditors of the Company will expire at the ensuing 20th AGM to be held on 14th August, 2019. Further, in terms of the provisions of the Act, since they have completed tenure of 10 years including their previous tenure as auditors of the Company, they are not eligible for re-appointment as Statutory Auditors of the Company.

Accordingly, the Board of Directors at its meeting held dated 6th May, 2019, on the recommendation made by the Audit Committee, have approved and recommended appointment of M/s. B S R & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company for a term of 5 (five) consecutive years to the members of the Company. The term of appointment of Statutory Auditors is from the conclusion of Twentieth Annual General Meeting till the conclusion of Twenty Fifth Annual General Meeting of the Company.

In accordance with Section 139 of the Act, M/s. B S R & Co. LLP, Chartered Accountants, have confirmed that they are eligible to be appointed as the Statutory Auditors of the Company and they satisfy the criteria as provided in Section 141 of the Act.

Pursuant to the SEBI Listing Regulations, the following disclosures are required for M/s. B S R & Co. LLP, Chartered Accountants, who are proposed to be appointed as Statutory Auditors of the Company:

a) **Proposed Fees payable to Statutory Auditors** – ₹ 75 Lacs per annum proposed for M/s. B S R & Co. LLP subject to as agreed upon between the Audit Committee/Board of Directors and the Auditors.

b) **Terms of appointment** – The appointment of M/s. B S R & Co. LLP is for a term of 5 consecutive years subject to the approval of the members at the ensuing AGM. Proposed fees is payable for audit of both standalone and consolidated financial statements.

c) **Any material change in the fee payable to such new auditor from that paid to the outgoing auditor** – The change in the audit fees is not a material change in terms of increase in audit fees.

d) **Basis of recommendation for appointment of Statutory Auditors** – The criteria of selection of M/s. B S R & Co. LLP was based on various parameters viz. market perception; regulatory compliance; tax/transfer pricing experience of firm; and certification etc.

e) **Credentials of Statutory Auditors proposed to be appointed** – M/s. B S R & Co. was constituted on 27th March, 1990 having firm's registration no. as 101248W. It was converted into limited liability partnership i.e. B S R & Co. LLP on 14th October, 2013 thereby having a new firm registration no. 101248W / W-100022. The registered office of the firm is at 5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai, Maharashtra - 400 011.

   B S R & Co. LLP is a member entity of B S R & Affiliates, a network registered with the Institute of Chartered Accountants of India. The other entities which are part of the B S R & Affiliates include B S R & Associates LLP, B S R & Company, B S R and Co, B S R and Associates, B S R and Company, B S S R & Co and B B S R & Co.

   B S R & Co. LLP is registered in Mumbai, Gurgaon, Bangalore, Kolkata, Hyderabad, Pune, Chennai, Chandigarh, Ahmedabad, Vadodara, Noida, Jaipur and Kochi. It has over 2900 staff and 100 partners.

   B S R & Co. LLP audits various companies listed on stock exchanges in India including companies in the life sciences sector.

The Board of Directors recommends the resolution stated in the item no. 4 for the approval of the members of the Company by way of an Ordinary Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relative are, in any way, concerned or interested, financially or otherwise, in the said resolution.

Item No. 5

The term of appointment of 5 (five) years of Dr. H. F. Khorakiwala (DIN: 00045608), aged 76 years, as Executive Chairman shall expire on 29th February, 2020. Pursuant to the recommendations of Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 6th May, 2019, re-appointed Dr. H. F. Khorakiwala for further period of 5 years w.e.f. 1st March, 2020; and approved his remuneration not exceeding ₹ 2,80,00,000 (Rupees Two Crore Eighty Lacs Only) per annum for a period of 3 years as stated in item no. 5 of the Notice, subject to the approval of members of the Company and receipt of requisite approvals, if any.

Further, the members of the Company had earlier approved remuneration of Dr. H. F. Khorakiwala through Postal Ballot upto 29th February, 2020 where the total amount of such basic salary; and perquisites & allowances shall not exceed aggregate of ₹ 2,80,00,000 (Rupees Two Crore Eighty Lacs Only) per annum.

Pursuant to the provisions of Sections 196, 197, 198 and any other applicable provisions, if any, of the Act and the Rules framed thereunder read with Schedule V to the Act, the appointment and remuneration of Executive Chairman requires approval of the members of the Company.

Keeping in view of the above and as the existing approval of appointment and payment of remuneration of Dr. H. F. Khorakiwala is valid up to 29th February, 2020, it is decided to seek approval of the members at the ensuing AGM of the Company.

Dr. H. F. Khorakiwala satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his re-appointment except that he has attained the age of 70 years. By virtue of his attaining the age of 70 years, his appointment is subject to the approval of members by way of a special resolution. He is also not disqualified from being re-appointed as Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of re-appointment of Dr. H. F. Khorakiwala under Section 190 of the Act.

The details of Dr. H. F. Khorakiwala, Executive Chairman, as required under provisions of Section II of Part II of Schedule V to the Act, Regulation 36 of the SEBI Listing Regulations and Secretarial Standard – 2, as applicable, are provided in **'Annexure II'** to the Notice.

The Board of Directors recommends the resolution stated in the item no. 5 for the approval of the members of the Company by way of a Special Resolution.

Save and except Dr. H. F. Khorakiwala, Dr. Huzaifa Khorakiwala, Dr. Murtaza Khorakiwala and Ms. Zahabiya Khorakiwala and their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

This Statement may be regarded as disclosures under Regulation 36 of the SEBI Listing Regulations, Secretarial Standard – 2 and Schedule V to the Act.

Item No. 6

Ms. Tasneem Mehta (DIN: 05009664), aged 65 years, was appointed as an Independent Director on the Board of the Company pursuant to provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and erstwhile Clause 49 of the Listing Agreement. She holds office as an Independent Director of the Company up to 29th September, 2019.

The Nomination and Remuneration Committee of the Board of Directors, on the basis of report of performance evaluation of Independent Directors, recommended Ms. Tasneem Mehta as an Independent Director, not liable to retire by rotation, for a second term of 5 (five) consecutive years on the Board of the Company. The performance evaluation criteria for Independent Directors was based on attendance of Directors, decision taken in the interest of the organization, monitoring performance of organization based on agreed goals & financial performance, active participation in the affairs of the Company and fulfillment of the independence criteria as prescribed and their independence from the management as Board & Committee members.

The Board of Directors, based on the performance evaluation of Independent Director, and as per the recommendation made by Nomination and Remuneration Committee, considers that given her knowledge, background & experience and contributions made by her during her tenure, the continued association of Ms. Tasneem Mehta would be in the interest of the Company and it is desirable to continue to avail her services as an Independent Director.

Ms. Tasneem Mehta is not disqualified from being re-appointed as Director in terms of Section 164 of the Act and has given her consent to act as a Director. In terms of Section 149 & other applicable provisions of the Act and SEBI Listing Regulations, as amended from time to time, Ms. Tasneem Mehta, being eligible, is proposed to be re-appointed as an Independent Director for a second term of 5 (five) consecutive years up to 29th September, 2024.

The Company has received notice in writing from member under Section 160 of the Act proposing the candidature of Ms. Tasneem Mehta for the office of Independent Director of the Company, copy of which is available on the website of the Company.

Section 149 of the Act and provisions of the SEBI Listing Regulations prescribes that an Independent Director of the Company shall meet the criteria of independence. The Company has received declaration from Ms. Tasneem Mehta that she meets with the criteria of independence as prescribed both under Section 149(6) of the Act and under SEBI Listing Regulations.

In the opinion of the Board, Ms. Tasneem Mehta fulfills the conditions for her appointment as an Independent Director of the Company as specified in the Act, the Rules made thereunder and SEBI Listing Regulations and that she is independent of the management.

The details of Ms. Tasneem Mehta as required under Regulation 36 of the SEBI Listing Regulations and Secretarial Standard – 2, as applicable, are provided in **'Annexure III'** to the Notice.

Copy of draft letter of appointment of Ms. Tasneem Mehta setting out the terms and conditions of appointment is available for inspection at the Registered Office of the Company during normal business hours on all working days. Copy of the draft letter of appointment shall also be available for inspection at the AGM.

In view of this, the Board of Directors recommends resolution as set out in item no. 6 for approval of the members of the Company by way of a Special Resolution.

Ms. Tasneem Mehta and her relatives are interested in the resolution set out at item no. 6 of the Notice with regard to her respective appointment. None of other Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution as set out at item no. 6 of the Notice.

This Statement may be regarded as disclosures under Regulation 36 of the SEBI Listing Regulations, Secretarial Standard–2 and Schedule IV to the Act.

Item No. 7

Pursuant to the recommendation of Audit Committee, the Board considered and approved at its meeting held on 6th May, 2019, appointment of M/s. Kirit Mehta & Co., Cost Accountants, as Cost Auditors of the Company, for conducting the cost audit of the Company for the financial year ending 31st March, 2020 at a remuneration of ₹ 3,35,000 plus applicable taxes and reimbursement of out-of-pocket expenses.

Pursuant to the provisions of Section 148 of the Act and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company.

In view of this, the Board of Directors recommends the resolution as set out in item no. 7 of the Notice for approval/ratification by the members of the Company by way of an Ordinary Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

Item No. 8

In order to enable the Company to access the capital market at the appropriate time, it is recommended to obtain the member's approval for the proposal to create, offer, issue and allot Equity Shares, GDRs, ADRs, FCCBs and such other securities as stated in the resolution (the "Securities") at such price or prices, at a discount or premium to market price or prices in such manner and on such terms and conditions including security, rate of interest, etc. as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of investors to whom the offer, issue and allotment shall be made at the time of such offer, issue and allotment, considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead managers or advisors, either in foreign currency or equivalent Indian Rupees inclusive of such premium as may be determined by the Board, in any convertible foreign currency, as the Board at its absolute discretion may deem fit and appropriate in accordance with applicable law. The Company intends to issue Securities for a value not exceeding ₹ 1,500 crore (Rupees One Thousand Five Hundred Crore Only) or its equivalent in any foreign currency.

The Special Resolution seeks to give the Board powers to issue Securities in one or more tranche or tranches, by way of one or more public and/or private offerings, and/ or including Qualified Institutions Placement ('QIP') or any combination thereof at such time or times, at such price or prices and to eligible person(s) including Qualified Institutional Buyers ('QIBs') as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('ICDR Regulations') in accordance with Chapter VI of the ICDR Regulations, or otherwise, foreign/resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), venture capital funds (foreign or Indian), alternate investment funds, foreign institutional investors, foreign portfolio investors, qualified foreign investors, Indian and/ or multilateral financial institutions, mutual funds, insurance companies, non-resident Indians, stabilizing agents, pension funds and/or any other categories of investors, whether they be holders of equity shares of the Company or not as the Board in its absolute discretion may deem fit. The detailed terms and conditions for the offer will be determined by the Board in consultation with the Advisors, Lead Managers, and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and in accordance with the applicable provisions of law and other relevant factors.

The Board shall issue Securities pursuant to this Special Resolution and utilize the proceeds for business purposes, including but not limited to redemption of existing preference shares of the Company including existing preference shares held by Humuza Consultants and Khorakiwala Holdings and Investments Private Limited, entities in which Dr. H. F. Khorakiwala, Director of the Company (including his relatives), are interested as a member / promoter / director, expenditure towards research and development expenditure in India and / or overseas, repayment/prepayment of long term and short term debt, and general corporate purposes.

The pricing of the Securities to be issued to Qualified Institutional Buyers pursuant to Chapter VI of the ICDR Regulations shall be freely determined subject to such price not being less than the floor price calculated in accordance with Chapter VI of the ICDR Regulations. Further, ICDR Regulations now permit issuer companies to offer a maximum discount of 5% (five per cent) to the Floor Price determined in accordance with the ICDR Regulations. The Board may, at its absolute discretion, decide the pricing (either at a discount or premium to the floor price) for the shares to be offered, issued and allotted in the QIP. The relevant date for the purpose of pricing the Securities shall be the meeting in which the Board (including Capital Raising Committee of the Board) decides to open the proposed issue of Equity Shares as Eligible Securities. In the event that Eligible Securities are convertible securities then the relevant date shall be either the date of the meeting in which the Board (including Capital Raising Committee of the Board) decides to open the issue or the date on which the holders of such Eligible Securities becomes entitled to apply for the Equity Shares, as may be determined by the Board.

The issue/ allotment/ conversion would be subject to the applicable regulatory approvals, if any. The issuance and allotment of Equity Shares including Equity Shares to be allotted on conversion of Securities to foreign/non-resident investors would be subject to the applicable foreign investment cap.

Section 62(1)(c) of the Companies Act, 2013 provides, *inter alia*, that where it is proposed to increase the subscribed share capital of the Company by the issue of further shares, such further shares shall be offered to the persons who at the date of the offer are holders of equity shares of the Company, in proportion to the capital paid up on those shares as of that date unless shareholders decide otherwise by way of passing Special Resolution. The Special Resolution will be enabling resolution authorizing the Board to decide as and when it thinks it is appropriate to raise the funds.

The Special Resolution, if passed, will have the effect of allowing the Board to issue and allot Securities to the investors who may or may not be the existing shareholders of the Company. The Company with this resolution seeks the approval of the shareholders to undertake fund raising activity, through one or multiple modes including through an issue of QIP, GDRs, ADRs, FCCBs etc. The Company will make requisite disclosures to the stock exchanges under the provisions of the SEBI Listing Regulations.

Accordingly, consent of the members is sought for passing the Special Resolution as set out in the said item of the Notice.

In view of this, the Board of Directors recommends the resolution as set out in item No. 8 of the Notice for approval by the members of the Company by way of a Special Resolution.

Dr. H. F. Khorakiwala and Dr. Murtaza Khorakiwala, Directors of the Company (including their relatives) may be deemed to be interested in the passing of this resolution to the extent of their interest in Humuza Consultants and Khorakiwala Holdings and Investments Private Limited and the Directors and Key Managerial Personnel of the Company and relatives thereof may be deemed to be concerned or interested in the passing of resolution to the extent of securities issued /allotted to them or to the companies in which they are director or member. Except as stated above, none of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

By **Order of the Board of Directors**

Narendra Singh
Company Secretary

Place : Mumbai
Date : 6th May, 2019

Annexure I to the Notice dated 6th May, 2019

Details of Dr. Murtaza Khorakiwala, Director retiring by rotation and seeking re-appointment at the ensuing AGM in respect of item no. 3 to the Notice

Dr. Murtaza Khorakiwala, aged 46 years, 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 (BMA).

In 2018, Dr. Murtaza was elected as President of the BMA.

As on the date of Notice, Dr. Murtaza Khorakiwala does not hold directorship in any of the listed entities other than Wockhardt Limited. Further, he also holds directorship in other Companies viz. Wockhardt Hospitals Limited, Wockhardt Infrastructure Development Limited, Shravan Constructions Private Limited, Dartmour Holdings Private Limited, Khorakiwala Holdings and Investments Private Limited, Palanpur Holdings and Investments Private Limited, Denarius Estate Development Private Limited, Amadou Estate Development Private Limited and Wockhardt Nigeria Limited and a Member of Governing Council of Khorakiwala Foundation.

During the financial year 2018-19, 4 (four) Board meetings of the Company were held, all of which were attended by him. He is a member of Risk Management Committee, Credit Facilities Committee and Share Allotment Committee of the Company.

Further, he is also a Chairman in Audit Committee and Securities Allotment Committee of Wockhardt Hospitals Limited; holds membership in Audit Committee and Corporate Social Responsibility Committee of Khorakiwala Holdings and Investments Private Limited; and also hold Chairmanship in Corporate Social Responsibility Committee of Wockhardt Infrastructure Development Limited.

Dr. Murtaza Khorakiwala is son of Dr. H. F. Khorakiwala, Executive Chairman and brother of Dr. Huzaifa Khorakiwala, Executive Director & Ms. Zahabiya Khorakiwala, Non-Executive Director of the Company. He is not related to any other Key Managerial Personnel of the Company.

As on the date of Notice, he holds 2,26,200 equity shares in the Company.

The above information may also be regarded as disclosures under SEBI Listing Regulations and Secretarial Standard – 2, as applicable.

Annexure II to the Notice dated 6th May, 2019

Details of Dr. H. F. Khorakiwala, Executive Chairman seeking re-appointment at the ensuing AGM in respect of item no. 5 to the Notice

[Pursuant to the provisions of Schedule V to the Act, SEBI Listing Regulations and Secretarial Standard – 2, as applicable]

I. GENERAL INFORMATION:

(1) Nature of Industry:

Wockhardt is a Global Pharmaceutical and Biotech company employing over 9,000 people and 27 nationalities with presence in USA, UK, Ireland, Switzerland, France, Mexico, Russia and many other countries. It has manufacturing and research facilities in India, USA & UK and a manufacturing facility in Ireland. Wockhardt has a significant presence in USA, Europe and India, with 60% of its global revenues coming from international businesses. Wockhardt is home to 600 plus scientists, of whom, 70 plus are doctorates. Wockhardt is the only company in the world where USFDA has given QIDP Status (Qualified Infectious Diseases Programme) for 5 of our Anti-bacterial discovery programmes – 2 of them are Gram Negative and 3 Gram Positive effective against untreatable "Superbugs". Wockhardt's entire Anti-infective portfolio particularly addresses the specific bacterial organism where resistances are high and breakthrough antibiotics are needed.

(2) Date or expected date of commencement of commercial production:

The Company started its commercial production in the year 1999.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable.

(4) Financial performance based on given indicators:

Particulars	Financial Year Ended (₹ in crore)					
	31.03.2019		31.03.2018		31.03.2017	
	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone
Total Income	4,179	2,181	4,057	2,534	4,129	2,546
Profit before Depreciation, Finance Cost and Tax	131	117	122	380	127	393
Profit (Loss) after Tax before Other Comprehensive Income	(217)	(82)	(667)	69	(226)	137
Total Comprehensive Income	(208)	(83)	(528)	69	(408)	136

(5) Foreign investments or collaborations, if any:

The Company does not have any foreign investment or collaborations except the direct investments in three overseas subsidiaries as under:

Sr. No.	Name of the Company	₹ in crore
1.	Wockhardt Bio AG	209.62
2.	Wockhardt Europe Limited	8.38
3.	Wockhardt UK Holdings Limited	75.27

Further, the Company has a total of 30 overseas subsidiaries.

II. INFORMATION ABOUT THE APPOINTEE:

(A) Dr. H F. Khorakiwala, Executive Chairman

(1) Background details

Dr. H. F. Khorakiwala, aged 76 years, founded Wockhardt in 1967. Today, the Wockhardt Group is India's leading research-based global healthcare enterprise with relevance in the fields of Pharmaceuticals, Biotechnology, Active Pharmaceutical Ingredients (APIs) and Super Speciality Hospitals. An alumnus of Purdue University and Harvard Business School, he was the first non-American to be conferred with an Honorary Doctorate, in 125 years by Purdue University (Pharmacy School) in 2010.

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

He was also the Chairman of the Board of Governors at the Centre for Organisation Development in Hyderabad, a non-profit, scientific and industrial research organisation and a recognised doctoral research centre.

He is currently 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.

As on the date of Notice, Dr. H. F. Khorakiwala does not hold directorship in any of the listed entities other than Wockhardt Limited. Further, he also holds directorship in other Companies viz. Wockhardt Hospitals Limited, Khorakiwala Foundation, Palanpur Holdings and Investments Private Limited, Khorakiwala Holdings and Investments Private Limited, Dartmour Holdings Private Limited, Genista Trading and Services Private Limited, Kendo Advisory Services Private Limited, Sinope Advisory Services Private Limited, Impala Advisory Services Private Limited, Step Forward Advisory Services Private Limited, Callirhoe Trustee Company Private Limited, Themisto Trustee Company Private Limited, Ananke Trustee Company Private Limited, Pasithee Trustee Company Private Limited, Megaclite Trading Private Limited and Dr. Habil Khorakiwala Education and Health Foundation.

During the financial year 2018-19, 4 (four) Board Meetings of the Company were held, all of which were attended by him. He is a member of Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee, ESOS Compensation Committee, Credit Facilities Committee, Share Allotment Committee and Capital Raising Committee of the Company.

Dr. H. F Khorakiwala is the Member of Securities Allotment Committee and Nomination and Remuneration Committee of Wockhardt Hospitals Limited and Chairman of Audit and Corporate Social Responsibility Committee of Khorakiwala Holdings and Investments Private Limited.

He is father of Dr. Huzaifa Khorakiwala, Executive Director, Dr. Murtaza Khorakiwala, Managing Director & Ms. Zahabiya Khorakiwala, Non-Executive Director of the Company. He is not related to any other Key Managerial Personnel of the Company.

As on the date of Notice, he holds 442,785 equity shares in the Company.

The above information may also be regarded as disclosures under SEBI Listing Regulations and Secretarial Standard – 2, as applicable.

(2) Past Remuneration

The total remuneration of Dr. H. F. Khorakiwala, in the capacity of Executive Chairman for the year ended 31st March, 2019 was ₹ 2.80 crore comprising of salary and perquisites. The said remuneration was approved for a period commencing from 1st April, 2017 to 29th February, 2020 by members through Postal Ballot on 12th January, 2017.

(3) Recognition or awards

Dr. H. F. Khorakiwala has received many prestigious awards for his contribution to Indian business and industry, few amongst them are:

- Received Hall of Fame-Pharma Award by CHEMTECH Foundation which recognises individuals who brave odds and dare to tread new paths in February, 2017.
- Corporate Excellence Award conferred by Dr. Babasaheb Ambedkar Marathwada University in October, 2015;
- In March 2010, Purdue University honoured him with their highest award they offer, the Honorary Doctorate for distinguished service to the University and great achievements in career and life;
- First non-American to be conferred with an Honorary Doctorate in 125 years by Purdue University (Pharmacy School) in 2010;

- Awarded with Frost & Sullivan 'Lifetime Achievement Award';
- Ernst & Young Entrepreneur of the Year Award 2004 in Healthcare & Lifesciences;
- Award of Excellence as Top CEO by IMM, in 2008;
- The Lifetime Achievement Award of the Pharma Excellence Awards 2006 – an Express Pharma initiative of the Indian Express Group of Newspapers;
- The UK Trade & Investment at the India Business Awards 2008 named him the 'Entrepreneur of the Year'. This award was presented for his outstanding contribution in steering his company through a successful internationalisation programme and for transforming it into a global enterprise. It acknowledges and recognises an Indian who has demonstrated entrepreneurial spirit and business success in the UK.

(4) Job Profile and his suitability

Dr. H. F. Khorakiwala, being an Executive Chairman, provides leadership, strategic vision and direction to the Company's business operations. He is steering Wockhardt for over 40 years and has rich and varied experience in the health care sector. He has the experience to handle diverse nature of businesses of the Company and the vision to take the business forward. Considering his qualifications, vast experience and deep knowledge of the business in which Company operates and also contribution made by him towards growth of the Company, it is desirable to continue to avail his services as an Executive Chairman. Further, the remuneration proposed commensurate with his job profile and is justified.

(5) Remuneration proposed

The remuneration proposed for a period of 3 (three) years commencing from 1st March, 2020 to 28th February, 2023 continues to be the same as that of past remuneration approved by members through Postal Ballot on 12th January, 2017. The remuneration proposed to be paid to Dr. H. F. Khorakiwala is provided in item no. 5 of the Notice.

(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)

The remuneration payable to Dr. H. F. Khorakiwala has been benchmarked with the remuneration being drawn by peers in similar capacity in Pharmaceuticals Companies of comparable size in the Pharmaceuticals Industry and has been considered by the Nomination and Remuneration Committee of the Company, in his absence, being an interested member, at the meeting held on 6th May, 2019. The profile of Dr. H. F. Khorakiwala, his responsibilities, complex business operations, industry benchmark and size of the Company justify the payment of the said remuneration.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any

Dr. H. F. Khorakiwala is promoter of the Company. He has no other pecuniary relationship with the Company except to the extent of his remuneration and shareholding in the Company. He is father of Dr. Huzaifa Khorakiwala, Executive Director, Dr. Murtaza Khorakiwala, Managing Director and Ms. Zahabiya Khorakiwala, Non-Executive Director of the Company.

III. OTHER INFORMATION:

(1) Reasons of loss or inadequate profits

The on-going expenditures on remedial measures (for US FDA related matter) and strategic focus on R&D initiatives impacted the profitability of the Company.

The subdued growth and profitability in the businesses was due to various factors beyond the control of the organisation.

In the absence of profits for the financial year 2018-19, the payment of managerial remuneration is in compliance with Section II or Part II of Schedule V to the Act, as amended.

(2) Steps taken or proposed to be taken for improvement

During the year under review, the Company has filed 95 patents out of which 66 patents were granted. Accordingly, the Company as on 31st March, 2019, cumulatively filed 3,132 patents and holds 694 patents worldwide.

Further, as a part of long-term strategic initiatives, your Company's focus remained centred on various measures for sustainable value creation through cost containments, fostering culture of efficiency and cost-consciousness, outsourcing of approved ANDAs by transfer to third party approved manufacturing locations for US market, working capital optimization and budgetary controls to improve efficiencies etc.

(3) Expected increase in productivity and profits in measurable terms

During the year under review, the Company has received following approvals:

- Health Products Regulatory Authority, Ireland ('HPRA') and UK MHRA have carried out joint Inspection of Shendra, Aurangabad facility of the Company. HPRA has granted GMP Certificate to Shendra, Aurangabad facility of the Company which is valid for a period of three years i.e. upto 31st January, 2022;
- US Food and Drugs Administrator ('US FDA') carried out inspection of Bioequivalence Centre located at R&D Centre, Aurangabad during which Bioequivalence studies of Tamsulosin 0.4mg capsules and Metoprolol Tartrate 200mg ER tablets were audited. At the end of inspection, there was Nil observation (i.e. zero 483 observation), signifying that best practices were followed, in compliance to applicable regulations;
- US FDA accorded approvals for two ANDAs and approval of one ANDA received during April 2019 from third party approved manufacturing facility;
- Sets up its first facility in Middle East for manufacturing of NCEs catering to the global markets through its Dubai arm of its subsidiary Wockhardt Bio AG. On approval of the new drug by US FDA, this manufacturing facility will be commissioned for commercial production. With the new facility in Middle East, the Company aims to focus on the commitment in developing NCEs to fight the health issues faced.

Continued focus on new Product launches in India, UK and Emerging Markets during the year is also expected to yield positive results in forthcoming periods. Rationalization and cost containment initiatives have also given positive impact.

IV. DISCLOSURES

The disclosures on remuneration package of each managerial person and details of all elements of remuneration package, details of fixed components & performance linked incentives, performance criteria, service contracts, notice period, severance fees, stock option details, on the basis of applicability, are disclosed in the Report on Corporate Governance and Board's Report forming part of this Annual Report.

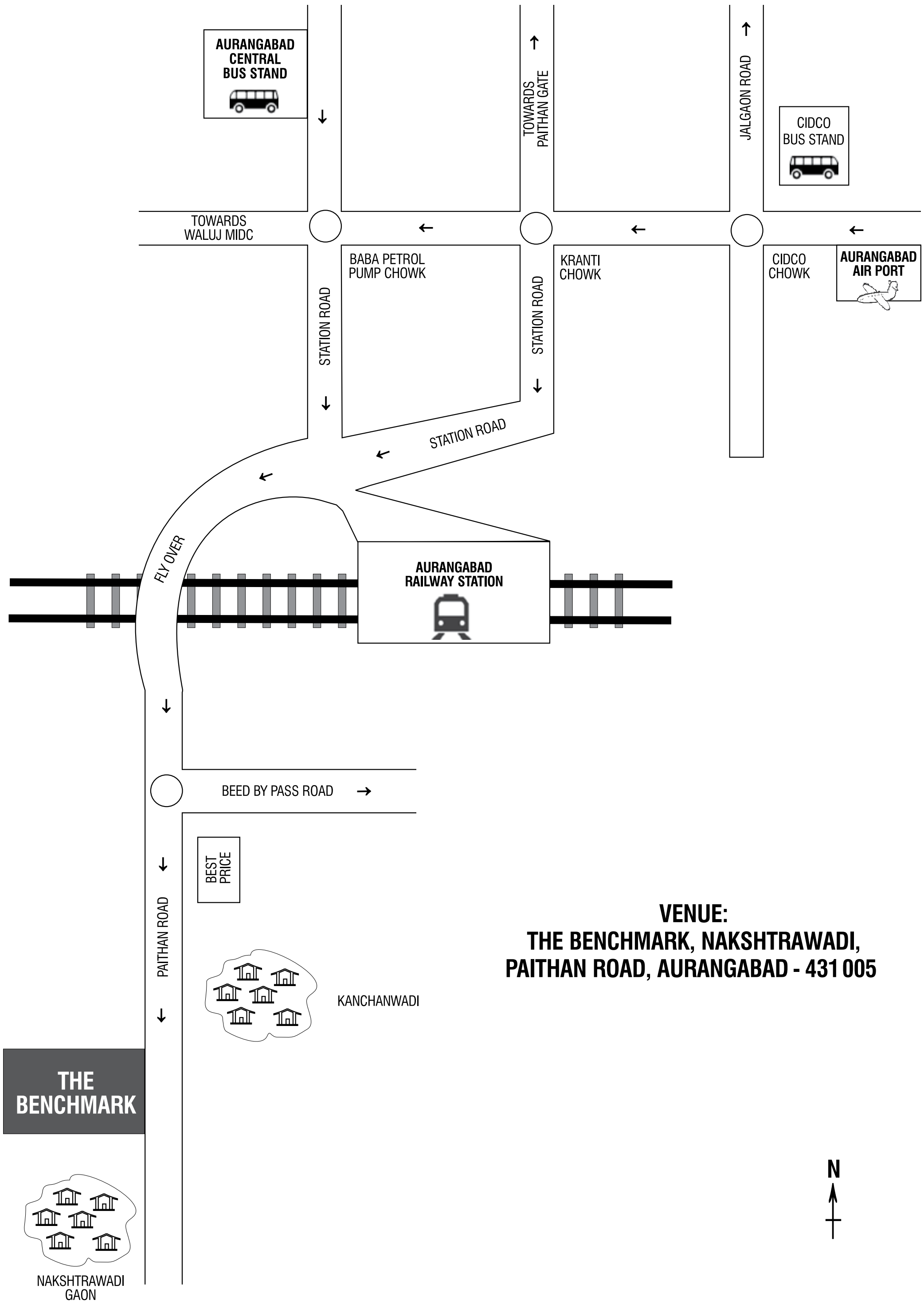
Annexure III to the Notice dated 6th May, 2019

Details of Ms. Tasneem Mehta, Independent Director seeking re-appointment at the ensuing AGM in respect of item no. 6 to the Notice

[Pursuant to the provisions of SEBI Listing Regulations and Secretarial Standard – 2, as applicable]

Particulars	Ms. Tasneem Mehta
Age	65 years
Qualifications	Fine Arts and Design at the Sir J. J. School of Art, Mumbai; Undergraduate degree in Political Philosophy from Columbia University, New York; Master's degree in English from the University of Delhi; Postgraduate diploma in Art History from London
Brief Resume / Experience (including expertise in specific functional area)	Art historian, writer, curator, designer and conservationist. Kindly refer Company's Annual Report 2018-19 for detailed profile
Terms and Conditions of Re-appointment	As per resolution at Item No. 6 of the Notice convening AGM on 14th August, 2019 read with Explanatory Statement thereto
Remuneration last drawn (including sitting fees, if any)	Sitting Fees of ₹ 12,00,000 was paid by the Company during FY 2018-19
Remuneration proposed to be paid	Sitting Fees, as applicable
Date of first appointment on the Board	30th September, 2014
Shareholding in the Company as on 31st March, 2019	Nil
Relationship with other Directors / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel
Number of meetings of the Board attended during the financial year ended 31st March, 2019	4
Directorships of other Boards as on 31st March, 2019	Nil
Membership / Chairmanship of Committees of other Boards as on 31st March, 2019	Nil

ROUTE MAP TO THE VENUE OF THE ANNUAL GENERAL MEETING



VENUE:
THE BENCHMARK, NAKSHTRAWADI,
PAITHAN ROAD, AURANGABAD - 431 005

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WOCKHARDT LIMITED

Registered Office: D-4 MIDC, Chikalthana, Aurangabad - 431 006

Global Headquarters: Wockhardt Towers, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051

CIN: L24230MH1999PLC120720 • **Phone:** 91-240-6694444 • **Fax:** 91-240-2489219

Email id: investorrelations@wockhardt.com • **Website:** www.wockhardt.com

20TH ANNUAL GENERAL MEETING

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) : ____________________

Registered Address : ____________________

____

Email ID : ____________________

Folio No./Client ID : ____________________

DP ID : ____________________

I/We, being the Member(s) of __________ shares of the above named Company, hereby appoint:

1. Name : __________ Address : __________

 ____

 Email Id : __________ Signature : __________or failing him/her

2. Name : __________ Address : __________

 ____

 Email Id : __________ Signature : __________or failing him/her

3. Name : __________ Address : __________

 ____

 Email Id : __________ Signature : __________

as my/our proxy to attend and vote (on a Poll) for me/us and on my/our behalf at the Twentieth Annual General Meeting of the Company to be held on Wednesday, 14th August, 2019 at 12.00 noon at The Benchmark, Nakshatrawadi, Paithan Road, Aurangabad – 431 005, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions			
Ordinary Business		**For**	**Against**
1.	Consider and Adopt a) Audited Financial Statement of the Company for the financial year ended 31st March, 2019 together with the Reports of the Board of Directors and Auditors thereon		
	b) Audited Consolidated Financial Statement of the Company for the financial year ended 31st March, 2019 and the Report of Auditors thereon		
2.	To declare dividend on Preference Shares at the rate of 0.01% and 4% on Non-Convertible Cumulative Redeemable Preference Shares and Non-Convertible Non-Cumulative Redeemable Preference Shares respectively		
3	To appoint a Director in place of Dr. Murtaza Khorakiwala (DIN: 00102650), who retires by rotation and being eligible, offers himself for re-appointment		
4.	Appointment of M/s. B S R & Co. LLP, Chartered Accountants as Statutory Auditors of the Company and Fixation of Remuneration		

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Resolutions			
Special Business		**For**	**Against**
5.	Re-appointment of Dr. H. F. Khorakiwala as an Executive Chairman and Fixation of Remuneration		
6.	Re-appointment of Ms. Tasneem Mehta as an Independent Director of the Company		
7.	Ratification of remuneration payable to Cost Auditors for the Financial Year 2019-20		
8.	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		

Signed on the ______________________ day of ______________________ 2019

Signature of Shareholder ____

Signature of Proxy holder ____

Affix
a
revenue
stamp

Notes:

1. **The Proxy Form in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.**
2. **A member entitled to attend and vote at the Annual General Meeting is entitled to appoint proxy/proxies to attend and vote instead of himself and such proxy/proxies need not be a member of the Company.**
3. Pursuant to Section 105 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, a person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
5. This form of proxy will be valid only if it is duly complete in all respects, properly stamped and submitted as per the applicable law. Incomplete form or form which remains unstamped / inadequately stamped or forms in which the stamps are not cancelled shall be treated as invalid.