

Wockhardt Ltd. 24th AGM (14/8/2023)

– **Dr. Habil Khorakiwala – Founder Chairman, Wockhardt:**

– A very good afternoon to all of you. I extend a very hearty welcome to all of you at the 24th AGM of your company which is being held through video conference in accordance with the applicable circulars issued by Ministry of Corporate Affairs and SEBI. Since the requisite quorum is present, I call the meeting to order.

– I am indeed very happy to state that all the board members are present with us and I welcome them to the meeting. I would now like to introduce them to the shareholders.

– To my right is Dr. Murtaza Khorakiwala, Managing Director of your company. Murtaza is a graduate in medicine from J.S. Medical College and MBA from University of Illinois USA, and has been providing leadership to Wockhardt since 2009.

– **Dr. Murtaza Khorakiwala – Managing Director, Wockhardt:**

– Thank you, Chairman.

– Hello and very good afternoon to all of you.

– **Dr. Habil Khorakiwala – Founder Chairman, Wockhardt:**

– Seated on my left is Mr. Davinder Singh Brar who has contributed enormously in our board meeting and he is a veteran of pharmaceutical industry for over 4-5 decades. As many of you know that he was CEO and Managing Director of Ranbaxy and he is now the founder of Aragen Life Sciences earlier known as GVK Bioscience. He has also been a director of RBI.

– Davinder, welcome to the meeting.

– **Mr. Davinder Singh Brar – Independent Director, Wockhardt:**

– Thank you, Chairman.

– A very good afternoon to all of you.

– **Dr. Habil Khorakiwala – Founder Chairman, Wockhardt:**

– Next to Murtaza on his right is Mr. Aman Mehta. He is also chairman of our Audit Committee. He has been a banker and has more than 35 years of experience and was head of HSBC operations in Middle East, Americas, Asia Pacific during his long and illustrious career. Aman, welcome to the meeting.

– **Mr. Aman Mehta – Independent Director, Wockhardt:**

– Thank you, Chairman. Good afternoon, everyone.

– **Dr. Habil Khorakiwala – Founder Chairman, Wockhardt:**

– Next to Mr. Brar on my left is Dr. Sanjaya Baru, a very well-known author of the book ‘Accidental Prime Minister’. He was media advisor to Dr. Manmohan Singh, the former prime minister of India. He is a

journalist and a writer and has been editor of Business Standard, Financial Express and the Times Group. Sanjaya, welcome to the meeting.

– **Dr. Sanjaya Baru – Independent Director, Wockhardt:**

– Thank you, Chairman, sir, thank you very much.

– **Dr. Habil Khorakiwala – Founder Chairman, Wockhardt:**

– Seated next to Mr. Aman Mehta on my right is Mrs. Tasneem Mehta. She represents cultural space of our board. Being an art historian, curator, designer, conservationist, she has been involved in the revival and restoration of several cultural sights in Maharashtra. She is the managing trustee and honorary director of Bhau Daji Lad Museum in Mumbai, and former vice chairman and Mumbai convener of Indian National Trust for Art and Cultural Heritage. Tasneem, welcome to the meeting.

– **Mrs. Tasneem – Independent Director, Wockhardt:**

– Thank you, Chairman.

– Good afternoon to all of you.

– **Dr. Habil Khorakiwala – Founder Chairman, Wockhardt:**

– Seated next to Dr. Baru on my left is Mr. Akhilesh Gupta. He is a graduate of Stanford University. He was a Chairman of Blackstone India. Earlier he was in senior leadership position with Reliance Industries. And he is deeply involved with Business School and Divinity School of Harvard University. Akhilesh, welcome to the meeting.

– **Mr. Akhilesh Gupta – Independent Director, Wockhardt:**

– Thank you, Chairman.

– Good afternoon, everyone.

– **Dr. Habil Khorakiwala – Founder Chairman, Wockhardt:**

– On my right, next to Tasneem Mehta is our new member, Ms. Amy Fernandes who was recently inducted to our board and is proposed for appointment as an independent director of our company at this meeting. Ms. Fernandes is an independent journalist whose editorial stint includes Femina, Saturday Times, Sunday edition of DNA. She is currently a director of Literature Live a very well-known Mumbai's only literary festival that is considered as one of the best in India. As an independent director she will add diversity to the board of Wockhardt Limited. I have great pleasure in welcoming Amy to our board.

– **Ms. Amelia Fernandes – Independent Director, Wockhardt:**

– Thank you, Chairman.

– Hello and welcome, everyone, good afternoon.

– **Dr. Habil Khorakiwala – Founder Chairman, Wockhardt:**

- On my extreme left is Dr. Huzaifa Khorakiwala, our Executive Director and Trustee and CEO of Wockhardt Foundation. Dr. Huzaifa holds a Masters degree in business management from Yale University, School of Management. Welcome, Huzaifa.
- **Dr. Huzaifa Khorakiwala – Executive Director, Wockhardt:**
- Thank you, Chairman.
- Good afternoon to everyone.
- **Dr. Habil Khorakiwala – Founder Chairman, Wockhardt:**
- On my extreme right is Ms. Zahabiya Khorakiwala. She is involved in healthcare as Managing Director of Wockhardt Hospital and is a director on the board of RPG Lifesciences. She is a graduate from New York University and holds a management degree from the Indian Business School, Hyderabad. Zahabiya, welcome to the meeting.
- **Ms. Zahabiya Khorakiwala – Non-Executive Director, Wockhardt:**
- Thank you and good afternoon, everyone.
- **Dr. Habil Khorakiwala – Founder Chairman, Wockhardt:**
- I also welcome Vinesh Jairath who is joining our meeting virtually. He is a director on the board of many large public companies. He has been an IAS officer. He was a Principal Secretary of Industries, government of Maharashtra, and managing director of SICOM Limited earlier. Vinesh, welcome to the meeting.
- **Mr. Vinesh Kumar Jairath – Executive Director, Wockhardt:**
- Thank you, Chairman and good afternoon, everyone.
- **Dr. Habil Khorakiwala – Founder Chairman, Wockhardt:**
- Apart from directors, I also welcome Mr. Deepak Madnani, our Chief Financial Officer, Mr. Debashis Dey, our Company Secretary, representative of BSR and Company which are our statutory auditors and Virendra Bhat who is our secretarial auditors who have also joined the meeting through VC.
- The notice dated 18th July convening this AGM and copy of annual report for the financial year ended 31st March 2023 have already been circulated to the members of the company electronically. And therefore, with the permission of members I take the same as read.
- There is no requirement to read the independent auditor’s report or the secretarial auditor’s report pursuant to Section 145 of the Companies Act, as the same does not contain any qualification, observation or comment.
- Register of directors and key managerial personnel and their shareholding and register of contracts and arrangement in which the directors are deemed to be interested have been made available electronically for inspection by members during the AGM.
- The company had given the option and has received requests from certain members to register themselves as speakers at the meeting. Accordingly, the platform will be open for those members to

allow them to ask questions or express their views. Members who have not registered as speakers but have any questions may write to the company and we shall respond to them suitably.

- The company had provided the facility to members to cast their votes electronically and all resolutions proposed in the notice convening the AGM through remote e-voting from Friday 11th August to Sunday 13th August. Members who have not cast their votes electronically and are participating in this meeting shall have an additional opportunity to cast their votes during the meeting through the e-voting system provided by NSDL which is now open and shall remain open for 15 minutes after conclusion of proceedings of this AGM.
- As the resolution mentioned in the notice convening this AGM has already been put to vote through the remote e-voting there will be no proposing and seconding of the resolution.
- I come to my speech for the AGM.
- My very dear shareowners, friends, distinguished guests, welcome to the AGM of Wockhardt Limited.
- Let me review briefly the financial year gone by. We posted total revenue consolidated of Rs. 2773 crore with an operating EBITDA of Rs. 223 crore. Our international business accounted for 77% of our total business with 45% contributed by UK and Europe in operations. 11% from US and 21% from emerging markets.
- We have now adopted a strategic approach to the business keeping in mind our core competencies, our research capabilities, our market strength, and our long term purpose and objectives. Our strategic approach lays the groundwork for effective execution and without solid strategy even the best execution efforts may fall short. A well designed strategy is the foundation for achieving business objectives. It involves actively seeking and implementing innovative ideas that can differentiate our business from the competition and engaging and aligning the entire team towards a common goal and purpose. Our strategic approach focuses on several specific areas that will lead us to sustained growth.
- Considering that our global business contributes a lion's share of our total business year after year, it makes sense to consolidate and further strengthen our position in these markets. Towards this end we have undertaken several strategic measures designed to drive future growth. We have strengthened our sterile manufacturing facilities in UK in line with our profit sharing joint venture with Serum Life Institute, UK which has identified two vaccines for production. Post regulatory approval, we hope to manufacture these vaccines in next 8 to 12 months.
- Like the legendary Jack Welch said, "An organization's ability to learn and translate that learning into action rapidly is the ultimate competitive advantage". We have de-risked our US business by restructuring it dramatically. We have shut down our manufacturing facilities at MGP in Illinois and carrying on our business through US FDA approved contract manufacturing organization. We have now engaged multiple US FDA approved manufacturing partners after thorough due diligence and inspection of their facilities to manufacture various products of Wockhardt for sale in USA, North America under the same brand.
- We continue to maintain sales with approximately 40 plus gross margin and are focused on market penetration and expansion. These steps will translate into an annual saving over a period of time of about 12 million dollars. Further, we are looking to forge strong partnerships and explore geographies with untapped medical needs. They include emerging markets across Latin America, Middle East, North Africa and South East Asia.

- As you know Wockhardt has achieved remarkable success in the field of biologicals. This achievement can be attributed to our cutting-edge in-house research capabilities, top notch manufacturing facilities for insulins and complex CHO cell-based biologicals and our state-of-art sterile manufacturing units in India and the UK. One particular area where we have established ourselves as pioneers is the diabetes segment where we enjoy a distinct advantage due to limited competition worldwide. Our strength lies in a strong pipeline of recombinant therapeutic proteins tailored for insulin resistance and higher BMI diabetic patients. We have successfully introduced recombinant Human Insulin and Insulin Glargine in various emerging markets to further expand our reach in next 1 to 2 years. Therefore, we plan to enter developed markets with a carefully selected portfolio.
- Additionally, our bio technology team is actively working on other biosimilars that are at different stages of development. These include recombinant insulin analogues like Insulin Aspart, Insulin Lispro and GLP-1 agonists. Notably, our co-formulation of insulin analogue has already received pre-clinical waiver from the Drug Controller.
- A distinct advantage we possess is the cost effectiveness of manufacturing and research of our products in India which is further supplemented by our patented drug delivery device. This distinctive combination puts Wockhardt in a highly competitive position globally setting us apart from other companies in this segment.
- Long before Jeff Bezos, Founder and CEO of Amazon said, “if you are competitor- focused you have to wait until there is a competitor doing something. Being customer-focused allows you to be more pioneering”.
- We are way ahead of the beaten path towards antibiotic drug discovery where trail blazing results have put us in a unique position on global Novel Antibiotic map. Let me update you all. Our flagship Novel Antibiotic WCK 5222 is a new class of antibiotic that works dramatically while still under clinical trial. It has been used in India on compassionate grounds and has saved 5 lives. These were critical patients on ventilators for several weeks and had used all available antibiotics in India and globally. They were all cured and discharged from hospital on completion of treatment with WCK 5222. An article by American Society of Microbiology emphasized its clear superiority of treatment on safety and efficacy. Our Phase III clinical trial is scheduled to be completed in the first half of 2024, and thereafter will soon be launched in the global markets in USA, Europe and India and many other countries. We have also completed recruitment of Phase III clinical studies of WCK 4873 in India and plan to file for marketing authorization before this calendar year.
- The launch of EMROK and EMROK O in India has been well received with over 47000 patients being treated so far. We plan to register them in other global markets soon.
- Wockhardt’s farsighted pursuit to discover new antibiotics has resulted in a stream of products that effectively manage infection caused by high mortality infected pathogens. Moreover, these Novel Antibiotics are designed to provide 360 degree coverage of patients in ICUs, wards, outpatient settings and the community at large. Our unwavering belief in the potential of our life saving molecule is only matched by long term trust you our investors have placed in us.
- I strongly identify with Rosabeth Moss Kanter, an American sociologist and professor at Harvard Business School who said, “A vision is not just a picture of what could be. It is an appeal to our better selves a call to become something more”.

- Wockhardt Foundation’s effort towards corporate social responsibility goes beyond compliance and is a conscious extension of our vision to ensure that life wins. While our initiatives across health care education, sanitation, skill development touched millions of lives, it is our flagship program ‘Mobile 1000’ that provides basic healthcare to remote and inaccessible areas of the country. Our vans each equipped with a doctor, diagnostic equipments, pharmacists and medicines cover over 4000 villages serving over 3 million lives every year. Also, our E-learning centres reach out to around 2.5 lakhs children bringing qualitative learning and significant improvement, improving their learning ability and experience. Wockhardt Foundation’s initiative during the year managed to touch over 5 million lives.
- Wockhardt Hospital which is not part of Wockhardt Limited is a chain of super specialty hospitals across Maharashtra and Gujarat. It has a solid reputation for clinical expertise and care with a state of art technology and topmost clinicians across specialties. I am sure that you will share my pride to know that Wockhardt Super Specialty Hospital at Nagpur has emerged as a centre of excellence in multi-organ transplants like liver, kidney and bone marrow transplants conducted by some of the country’s most renowned experienced transplant specialists in the hospital.
- In conclusion, I quote the American political theorist, John Schaar, who said, “Future is not some place we are going but one we are creating. The paths are not to be found but made.” Our vision is clear, the mission is defined, the strategy is mapped and the execution is in play. Let’s all look forward to a promising future.
- I and the board of directors sincerely thank all Wockhardt share owners, associates, the medical and financial communities, our vendors for their support, cooperation and good wishes.
- Thank you very much.
- We will now take up the resolutions as set forth in the notice and will open the floor for queries by shareholders after the resolutions are tabled.
- Item no. 1: The notice is for the adoption of financial statements of the company. The audited standalone and audited consolidated financial statements of the company along with the reports of board of directors and auditors thereon have already been provided to the members. The board and the audit committee recommend the same adoption by the members.
- Since I may be deemed to be interested in the next item of the agenda, I may now request Mr. Brar who is also the Chairman of Nomination and Remuneration Committee to occupy the chair and introduce item no. 2 of agenda to the shareholders.
- **Mr. D.S. Brar – Independent Director, Wockhardt:**
- Thank you, Dr. Khorakiwala.
- Item no. 2 of the notice proposes reappointment of director retiring by rotation.
- Ms. Zahabiya Khorakiwala retires by rotation and being eligible seeks reappointment. In view of her significant contribution to the company during her tenure the Nomination and Remuneration Committee and the board recommends the reappointment of Ms. Zahabiya Khorakiwala for the approval of the members.
- I now request Dr. Khorakiwala to kindly reoccupy the chair and continue with the proceedings.

– **Dr. Habil Khorakiwala – Founder Chairman, Wockhardt:**

- Thank you, Davinder.
- Item no. 3 of the notice seeks ratification of remuneration paid to cost auditors. The board of directors in their meeting on 26th May appointed Kirit Mehta and Company, cost accountants as cost auditors of the company. Accordingly in compliance with the law a remuneration of Rs. 3,35,000 payable to them is sought for your ratification. Based on the comparable market data the above remuneration was found to be fair and accordingly the board recommends the same for adoption by the members.
- Item no. 4: The notice proposes appointment of Ms. Amelia Fernandes as Independent Director of the company. The board of directors had appointed Ms. Amelia Fernandes as an additional independent director in its meeting held on July 18th, 2023, who holds office as such upto the date of AGM. The board also received a letter from member nominating Ms. Fernandes as an Independent Director of the company for a term of 5 years.
- In view of the above, the Nomination and Remuneration Committee has considered the same, and recommended the appointment of Ms. Fernandes as an Independent Director of the company for a term of 5 years effective from the date of her initial appointment from 18th July, 2023. Accordingly, the board recommends the same for the approval of members.
- Since I may be deemed to be interested in the next three items of the agenda as well. May I request Dr. Davinder Brar, once again, to kindly chair the next three items of the agenda, and introduce the resolutions at items no. 5, 6, and 7 of the notice.

– **Mr. D.S. Brar - Independent Director, Wockhardt:**

- Thank you Dr. Khorakiwala.
- Item #5 of the notice seeks approval of the members for reappointment of Dr. Huzaifa Khorakiwala as an Executive Director for a further period of 5 years from the date of expiry of his present term of office i.e. with effect from March 31, 2024, and fixation of remuneration for the period of first 2 years of his tenure, commencing from March 31, 2024 to March 30, 2026. The board of directors and the Nomination and Remuneration Committee had, in its meeting held on May 26, 2023, recommended the reappointment and a remuneration of Rs. 2.8 crore per annum to be paid to Dr. Huzaifa Khorakiwala commencing from March 31, 2024 to March 30, 2026 i.e. during the period of his first 2 years of his tenure for his services as the Executive Director of the company inter alia due to his significant contributions as an Executive Director during the challenging business environment over the past few years. The board recommends the same for the approval of the members.
- Item #6 of the notice seeks the approval of the members for reappointment of Dr. Murtaza Khorakiwala as the Managing Director for a further period of 5 years from the date of expiry of his present term of office i.e. with effect from March 31, 2024, and fixation of remuneration for the period of first 2 years of his tenure, commencing from March 31, 2024 to March 30, 2026. The board of directors and the Nomination and Remuneration Committee had, in its meeting held on May 26, 2023, recommended the reappointment and a remuneration of Rs. 2.8 crore per annum to be paid to Dr. Murtaza Khorakiwala, during the period of first 2 years of his tenure commencing from March 31, 2024 to March 30, 2026 for his services as the Managing Director of the company inter alia due to the stewardships shown by Dr. Murtaza Khorakiwala during the very difficult time over the past few years, and notably, some of the

achievements during the same period. The board recommends the same for the approval of the members.

- Item #7 of the notice pertains to the approval of material related party transactions. The company is seeking an enabling authorisation from the members to avail secured, unsecured, short-term, long-term, and other funding facilities, by way of loans, credit facilities, debt instruments, etc. up to a maximum of Rs. 1,600 crore from Khorakiwala Holdings and Investments Pvt. Ltd., registered NBFC, which is also redeemed to be a related party of the company. The Audit Committee and the board recommends the enabling resolution for the approval of the members. I now request Dr. Khorakiwala to kindly reoccupy the chair and continue with the proceedings.
- **Dr. Habil Khorakiwala - Founder Chairman, Wockhardt:**
- Thank you Mr. Brar.
- Item #8 of the notice seeks enabling approval of members for raising additional funds through further issue of equity shares or securities convertible into equity shares. This enabling resolution will allow the company to raise funds by way of one or more public or private offerings of equity shares or instruments converting into equity shares, including through qualified institutional placement for an amount of Rs. 1,600 crore. The board recommends the same for the approval of the members.
- Since, I may, once again, be deemed to be interested in the next item of the agenda as well, may I now further request Mr. Brar once again to kindly chair the next two items of the agenda, and introduce the resolutions at item no. 9 and 10.
- **Mr. D.S. Brar - Independent Director, Wockhardt:**
- Thank you Dr. Khorakiwala.
- Item #9 of the notice seeks reconfirmation of the authority to the board to approve the borrowing powers of the board. This is an enabling resolution sought for borrowing funds from time to time from banks, financial institutions, bodies corporate, mutual funds, companies, firms, or any other person or entities, including related parties, such that the total amount of money or monies so borrowed, and outstanding at any time, (apart from temporary loans) shall not exceed ₹ 3,000 crore in excess of and in addition to the paid-up capital and free reserves of the company. The board recommends the same for the approval of the members.
- Item #10 of the notice seeks reaffirmation of the shareholders authorising the board to create charge on the assets of the company. This enabling resolution sees reaffirmation of the authority of the board to mortgage and/or charge/hypothecate any of its movable and/or immovable properties of the company, in favour of various lenders of the company, such as banks, financial institutions or bodies corporates or any other persons including related parties which may be necessary to secure the borrowings/ financial assistance/loans availed for such for amount not exceeding Rs. 3,000 crores only. The board recommends the same for the approval of the members.
- I now request Dr. Khorakiwala to kindly again reoccupy the chair and continue with the proceedings.
- **Dr. Habil Khorakiwala - Founder Chairman, Wockhardt:**
- Thank you Mr. Brar. Now we will start with the process of inviting speakers who have registered themselves to speak and ask questions on the portal. In view of the time constraint, may I request all the

speakers to speak and express their views within a reasonable time limit of 2 minutes, and also not to repeat the comments/queries already raised by any previous speaker. May I first invite Mr. Aman Vij to express his views.

– **Mr. Aman Vij – Shareholder:**

- Good afternoon sir. I had few questions just to understand the business better. First on, WCK 4873. If you can talk about what is the update on the trial status in India. I believe, that it was supposed to get completed in June or July, but your presentation says the Phase 3 trial recruitment is done and there is no further update on that. So, if you can talk about some timelines. And also, when is the launch expected of Nafithromycin. If you can talk about the China opportunity, I believe we had entered into an agreement with Jemincare last year, and we were supposed to get an upfront payment. If you can talk about what is your status on that? Also, I believe, China trial is still to start. So, if you can talk about what is the reason for the delay?
- My next question is on the alternate products like Telithromycin and Solithromycin, I believe, they failed because of some issues with liver toxicity. So, have we seen any kind of issues related to liver toxicity in our case, if you can talk about the same?
- My next set of question is on WCK 5222 Sir. It was good to hear that we are targeting launch next year. Sir, I just wanted to understand a little bit on the history. I saw a couple of your interviews where, in 2017, you were expecting it to launch... complete the trial in 2 years and launch by FY21. So, what was the reason of delay of these 3-4 years, if you can talk about the same? And also, if you can talk about what gives you confidence that this time we will be able to meet the deadline?
- My next question on WCK 5222 is, if you can talk about the costing required for the trial completion, and how are we planning to source it?
- My next question is, the trials are still going on. So, if you can talk about... there's this secondary observation that we normally see, that some patients are moved to different therapy if it is not working. So, if you could talk about how many patients in the current trial have moved to different therapy?
- My next question is, I believe, you have talked about 5 compassionate uses in the case of WCK 5222. So, I believe, we were trying for some quick approval from DCGI. So, if you can give an update on that?
- My next set of questions is on EMROK. I believe, that is a very good product and doing well for us, but I believe it is still like a 50 crore product for us. So, if you can talk about, in the next 2-3 years, where do you see the sales of EMROK, both in India and outside India? And, if you can also talk about, is the pricing still an issue, because the product is quite good, but I believe the patients which we have enrolled compared to the addressable market is still small. So, is that an issue according to you, that the company is facing?
- Sir, my next 1 to 2 questions on Serum is if you can talk about the update on the two vaccines which we were planning to manufacture on the Serum side. And, if you can talk about are we looking to bring more partners on that side? Sir, these are my questions. If you could answer those questions in detail, it would be very helpful. Thank you.

– **Dr. Habil Khorakiwala - Founder Chairman, Wockhardt:**

- Thank you very much Aman. Well researched questions you have asked on our drug discovery program. I'll try to respond briefly to your questions. as far as WCK 4873 is concerned, the clinical enrolment is over, and we should expect to file it by end of December, that is what I just said. And, as far as the side effects are concerned, Nafithromycin doesn't show any of the side effects with the earlier erythromycin and the other drugs which you mentioned. So, the safety is fairly well established in the clinical trial, both in Phase 3, Phase 2 and Phase 1.
- Regarding WCK 5222, your valid question that I did mention earlier that because of our liquidity crunch, primarily the Phase 3 was delayed. We have already recruited about 40% of patients in Phase 3. The balance will be completed in the next 10-12 months' time, and we should be filing late 2004-early 2005 to US FDA, India and China, and all the other places.
- The funding part, we are looking at alternate funding to complete our Phase 3 clinical trial and your question was that some different therapy was used during this clinical trial, if it has not worked. That question never arose. Because, even if it is on blind data which are available, the success rate is more than 90% plus so far, and that is in line with other clinical of similar kinds which was done. In fact, it is slightly better.
- We have already completed about 5 patients on a compassionate ground, and they have been used all available antibiotic before they tried our drug, and we have saved 5 lives. The request was for far more, but somehow, we could not reach the patient because of the whole process requiring compassionate use time. We have got EMROK registered in 10-12 countries, and obviously with that, we will have our future growth coming out of that activity. I'm unable to reveal the name of the two vaccines Serum has finalised because of our confidentiality clause with them. But, as soon as it is done, we will let you know.
- I can move to the next speaker, Mr. Anant Jain.

– **Mr. Anant Jain – Shareholder:**

- Thanks for the opportunity. One of my questions is a repeat of a question asked by Aman, I think which you had missed. That was on Nafithromycin and China. If you can answer that, because, I think in one of your interviews, you had said that we received \$10 million from Jemincare, China, and we would be receiving more milestone payments. So, if you could speak about the trial status of Nafithromycin in China, and when can we expect the remaining milestone payments and how does that process flow? That is my first question.
- My second question is in terms of EMROK, where I think we have done around 30 crore sales in EMROK last year. If you can tell us as to what kind of numbers are we looking for EMROK for FY24, FY25 and how do we plan to scale it up? Because, what I believe is, EMROK, from my understanding and my discussions with doctors itself, it's a very good drug. But, probably because of the price or our own marketing related issues, we are not able to... the drug is not able to reach the patient. So, if you have ideas on what kind of strategy are you using to further EMROK with the patients?
- My next question is in Serum. We have 15 million doses, I think... understanding over 10 years with Serum, is what your understanding is. So, when does year 1 start for us? I mean, does it start from calendar year 2024, calendar year 2025? When does the 1st year of these 15 million dosage or vials that we're going to supply to Serum, going to start? And, why is it taking a long time? Is it a case of approvals? We have the facility for the Corona virus vaccine with Astrazeneca. So, why is it taking so long for that

facility to start producing for Serum? And also, what is the capacity of that facility, and can we onboard more vaccines manufacturers, distributors, and can we have more partnerships for vaccines in that facility? Also, what kind of contributions are we looking at once we have full production or production with Serum starting in that facility?

- My next question is on insulin. So, if you can give us some idea about the revenues that we got from insulin in FY23? And, if you can provide us the split between insulin revenues in India and the rest of the world? I think we had plans for launching insulin diabetes biosimilars for Europe and the USA, developed markets. Where are we in those plans? And, we have spoken about taking revenue share from insulin products from 20% to 30% in 3 years. That means that, insulin revenue will have to double in 3 years. So, which products and which market, do you think, will drive this growth? And also, do we have more products to offer in the diabetes segment going ahead?
- My next question is on generics. I think, this is probably one of those areas where our focus is... coming from a strategy and a vision, I think that is one of those areas where we probably are not so much focused. So, if you can give us that? Right now, you have mentioned that we don't have any plans in US and everything is getting contract manufactured. So, if you can give me the compliance status of various facilities in India, that's the first thing. And, do we plan to have supplies to US from our facilities in India; not from facilities in US, but facilities in India. And, if you can give any broad-based idea on launches in the generics portfolio, and what kind of growth in margins can we expect from this portfolio? These are my questions Mr. Khorakiwala.
- **Dr. Habil Khorakiwala - Founder Chairman, Wockhardt:**
- Thank you very much Anant. I think I'll take the next question, and then reply collectively. So, the next speaker is... Because, you have many questions which are the same as the previous speaker. Some of them are already answered. So, I'll take the next question. Mr. Bimal Panchal.
- **Mr. Bimal Panchal – Shareholder:**
- Good afternoon Sir. Respected Chairman, eminent board of directors and my fellow shareholders, my name is Bimal Panchal and I'm from Mumbai. Our Annual Report for the year in general, and management discussions and analysis which is perhaps the lengthiest analysis in particular it gives a complete insight of Wockhardt, how we perform, what is the future, and all these things. I highly appreciate the efforts towards preparation of the same. The live corporate AV presented prior to the AGM was also very good. Your opening Chairman speech is also very optimistic and with reference to biologicals, diabetes care and our international operations strategy. It also gives you good guidance about the company. Sir, the CSR activities carried out by Wockhardt Foundation can also be seen in our vicinity and it's very highly encouraging Sir. No questions from my side and I support all the resolutions and all the best wishes for the 25th year. You have passed some enabling resolutions for raising of the funds, so like last time also you can consider the rights issue. That will be a good win-win situation for both promoters, as well as existing shareholders and others also. Thanking you and all the wish for the years to come. Thank you very much Sir. Thank you for giving an opportunity.
- **Dr. Habil Khorakiwala - Founder Chairman, Wockhardt:**
- Thank you Bimal. May I now request Madam Celestine Mascarenhas.

– **Ms. Celestine Mascarenhas – Shareholder:**

- So nice to see you Mr. Khorakiwala. We used to come in the physical meeting, but now even online is good. We can see you, interact. I heard the Chairman’s speech, thank you so much. Respected Chairman – Mr. Habil Khorakiwala, MD, Murtaza Khorakiwala and other members of the board. I am Mrs. C.E. Mascarenhas and I’m speaking from Mumbai. First, I thank the Company Secretary – Debashis Dey and his team, especially Mr. Mhatre, for sending me an e-Annual Report, and also registering me as a speaker at my request. Thank you very much to the Secretarial Team. The Annual Report is very informative, with facts and figures, self-explanatory, adhering to all the norms of corporate governance. Our revenue is down, PPT, PAT down. It looks like a very difficult year. There is loss. I would like to only ask you, when the losses will be wiped out, because next year is the Silver Jubilee year, and we all shareholders will be definitely looking out for silver to be real silver. So, don’t make us wait till Golden Jubilee. Now, I congratulate you for all the awards and accolades received during the year. Our CSR work is very good, as given in the report. All facts and figures are there.
- Now my queries. ESG. I would like to know whether we have gone for rating the ESG, and if so, what is the score on the ESG front, and whether any sort of thought of listing it on some dedicated ESG platforms.
- Next question, we have developed in-house bio-better and recombinant human insulin – Consegna-R and Consegna-30/70, which has been launched in India. Sir, what is the response of this human insulin diabetes medicine?
- Next is, our focus is more on herbatus and biologicals. How is this business adding to our revenue?
- Next, international business is 77% of the total business. How much margin we enjoy in the international business?
- Next R&D and innovations. How many employees/doctors are in R&D and what is the average age and attrition level? How many women employees are in R&D?
- Next, we have filed 3,239 patents, 810 are granted. I would like to know, in the last 6 months, how many have been granted.
- Sir, last one, what is the roadmap for the next 5 years? How will we reduce the debt in our book? What is the rate of interest we are paying on this debt? I would like to know whether you have demarcated some asset for monetisation, so that may be used for debt reduction. Sir, could you throw some light, because it looks that things are quite tough. But I know one thing, tough times don’t last forever. Sir, but I have to say, tough people will last forever. So, this is for you Sir – In whatever this, you will deliver, that much I have got faith. With this, I support all the resolutions and I wish you and the whole Wockhardt team very good health, because in health, there is always wealth.
- With this, Mr. Mascarenhas is coming always, is also registered, just he will speak.

– **Mr. Aloysius Mascarenhas – Shareholder:**

- I am the next registered shareholder to speak. So, can I proceed Sir?

– **Dr. Habil Khorakiwala - Founder Chairman, Wockhardt:**

- Please go ahead since you’re already visible and everybody sees you.

– **Mr. Aloysius Mascarenhas – Shareholder:**

– Okay. Respected Chairman sir, very distinguished members of the board, and my fellow shareholders, good evening to you all. My name is Aloysius Mascarenhas. I'm a proud shareholder of this prestigious company, and I'm holding these shares for a very very long time. We both used to come as far as to your factory is concerned, and you used to treat us well. The memories are never forgotten. Sir, many questions have been asked by my wife, and I have very few questions to ask.

- First and foremost, we are having a huge loss. So, how many years it will take to wipe out the loss and come to the dividend list? Secondly, we are in exports. We have good exports in UK, US. So, we must be receiving most of the revenue by way of Dollars. Now why I say this is because, with the rising Dollar every day, with a falling Rupee, we stand to gain. So, what is our revenue by way of Dollar payment. That is the question. And, other things I don't want to ask. We are good in the medical field. I believe that you'll be very good in orthopaedic. I have been advised a knee replacement, and I had asked sometime back, about 2-3 years back when I'd come to your AGM, and I was told that I would receive some relief from your hospital. I have still not gone for knee replacement. I require your help. I'm going to pay the money, no problem. But I require good treatment.

- With this sir, I end my speech. Wishing you personally, all the Board members and more importantly, all the employees, all the very best in the days and years to come. With this sir, I thank you very much for patient hearing. God bless you, all the Board of Directors and more importantly, all the employees. Thank you very much for patient hearing. Thank you.

– **Dr. Habil Khorakiwala – Founder Chairman, Wockhardt:**

- Thank you. Mr. Mascarehnas. May I now request Mr. Deviinder Gupta?

– **Mr. Deviinder Gupta – Shareholder:**

- Good evening. First of all, thank you for sharing your strategic approach. Compliments to you and your team for that. We really appreciate that. I think most of the specific questions have been asked. I want to compliment you for six QIDP approvals. I have a very generic question that how do you assess the market size of this six QRD approvals? And out of the total market size, how much share do you think you will be able to capture in next few years? What would be the share you would capture in terms of revenues and what could be the impact on the bottom-line? My next question is, what are the risks you see, considering the past experience of delays, in commercializing these six QIDPs. And, some of these are being currently being injected to people on trial stages. So can you please let me know at what price it is being charged to these patients? And lastly, once all these your strategic approaches are implemented, what would be the impact on shareholder rewards? Thank you so much.

– **Dr. Habil Khorakiwala – Founder Chairman, Wockhardt:**

- Thank you Mr. Gupta. Mr. Gautam Tiwari.

– **Mr. Gautam Tiwari – Shareholder:**

- Sir, first of all, I'm very happy to see you. We used to see each other and meet each other of the Board of Khorakiwala Family and Brar and all other people in our physical meeting. I am once again very happy to see you, although virtually. Dear sir, special good afternoon. Our Founder Chairman and very popular and

very much well known Mr. Habil Khorakiwala along with all our directors MD Mr. Murtaza Khorakiwala, trustee CEO, our Huzaifa Khorakiwala, our hospital trustee and MD and Wockhardt MD Zahabiya Khorakiwala and other Independent Directors, team Wockhardt Limited, myself Gautam Tiwari and I'm participating at this AGM from Mumbai.

- Dear sir, I would like to congratulate our MD, CFO, CS and all other Board of Management, including all other secretarial and finance team, for running the company well year by year and managing the company in a better way each year and thus, taking care of the company precisely well. At the same time sir, our company has really worked hard in identifying the areas of activities by our CSR committee which we are doing a very good work for the weaker section of the society and community and for this we are very much thankful to you sir. And also investor care, investor service of our secretarial department is very much cordial and harmonious. Even NSDL service and Zoom link technical supporting team service is also very much cordial and helpful to shareholders. I thank each and every member of these relevant departments. And moreover sir, I thank the management for selecting such dedicated and devoted service providers for shareholders. Sir, I support all the appointments and reappointments of our Directors and support all resolutions for which I have voted already in advance.
- Sir, a few queries I have got in hand. Sir, how many new launches we have done in the year after 31st March 2023 and how many are awaiting approval? Sir, ours is a truly life win company which is very well known sir in the pharmaceutical world. We are amongst top three Indian generic companies in UK. Sir, which are two other companies ahead of us; top one and top two in generic medicines manufacturing in UK? And, I am also proud of being that we are the 6th largest generic supplier in retail and hospital in Ireland. Sir, which of our brands earn maximum revenue and maximum profitability in India, UK and US. Sir, presently what is the capacity utilization, overall capacity, of our manufacturing plants? Sir, what is the percentage of production manufacturing of generic, medical and branded medicines in our company? Sir, how many of our products are under price control? And sir, what is the market share of EMROK and EMROK O, that and the status? As we have got it today, many questions have been asked. But where do we stand in respect of EMROK and EMROK O, especially for the price of it and the saleable volume of it.
- Sir, one very important thing we are specialized in diabetics. Sir, Insulin we are producing. So what all types of diabetes it is very much useful for? How much time does it take? And moreover sir, is there any medicine that we have manufactured for the complete cure of diabetic patient? There are 3-4 types of diabetic patients. Complete cure of diabetic patients, is it possible? Have you manufactured some medicine for this? And how are you going to reward shareholder, sir? 25th, Silver jubilee is coming, sir. Sir, you have given a smile. I'm very sure this smile will work confidently and specifically next year when our Silver Jubilee year will be there.
- Sir, we are always here to give you whatever money you demand from our shareholders very happily. You will be oversubscribed. This is our promise. And sir, I think these are my questions. And R&D budget sir, for FY23 how much do we have? And, any physically handicapped employee that we have got, sir in our company we would like to know and that's all and I think I don't want to embark you with many questions.
- First of all, I am very happy. Sir, I wish you all and pray Almighty always and all the time for your hearty, healthy, wealthy, safe, enchanting life ahead, including all staff members and workers and our technicians in future and also a very good year and bright future for the company. Under your supreme leadership, we are very happy. I'm a shareholder of your company from right from my daddy-mummy's days and we

are very proud of being with you always and all the time. Thank you very much sir. A big salute to all of you. Thank you very much sir for patient hearing.

- **Dr. Habil Khorakiwala – Founder Chairman, Wockhardt:**

- Thank you very much Mr. Tiwari for your kind words and some of the queries. I'll answer collectively. May I have now Ms. Sheetal Bansal?

- **Ms. Sheetal Bansal – Shareholder:**

- Respected Chairman and Board of Directors, good afternoon. First of all, I like to thank company secretary for sending physical copy of annual report. My question is, please provide the details of research and development spent in the company. The next year, the company is celebrating 25 years. So my humble request for the plant visit. And how many types of medicines made in the company? Is there any company medical shop? If there, where? May I know please. Thank you.

- **Dr. Habil Khorakiwala – Founder Chairman, Wockhardt:**

- Alright thank you very much. Can we have Swecha Jain. No sorry not there. Tushar Sodha? Yes please go ahead Mr. Sodha.

- **Mr. Tushar Sodha – Shareholder:**

- Very good afternoon to all. Very respected Chairman Sir, stalwart and esteemed Board of Directors and fellow shareholders, my name is Tushar Sodha and I have joined our virtual AGM from Mumbai. I acknowledge the email receipt of annual report and thank the company officials for timely service of the financial statements. I take this opportunity to welcome Ms. Amelia Fernandes as Independent Director of the Board of Wockhardt Limited.

- I am happy that despite subdued business sentiments and very challenging times, our company has managed to report consolidated revenues of Rs. 2,773 crore. Thanks to the prudent decisions taken by the management, net debt equity ratio is at only 0.48%. Kindly share with us Board of Directors' plans of reducing debts in the coming years. Please inform are there any plans of raising further capital for future working capital requirements? During the year, there has been an adverse impact on various parameters such as data turnover, interest coverage, operating profit margins and inventory turnover ratios. When can we expect improvement of the financials? Chairman Sir, within next 2 to 3 years, do you expect increase in research and development spending? In our annual report there is a mention of initiation of various measures including restructuring business model in US by closing down the manufacturing facility and undertaking business in United States to contract manufacturing. This is indeed a prudent step.

- Wockhardt Limited is amongst top three Indian generic companies in UK and amongst top six generic companies in Ireland. Please inform what is the approximate market share enjoyed by Wockhardt in UK and Ireland. International business has contributed about 77% of total revenues with European Union, UK and emerging markets as major contributors. Going forward, do we anticipate any major changes in the domestic as well as the international revenue percentages? Chairman sir, it is a matter of great pride for shareholders that Wockhardt is the only company in the world to hold QIDP status for six antibiotics.

- I take this opportunity to thank employees at all levels for their commendable efforts and the entire senior management team for their exemplary leadership. Thank you Chairman Sir for giving me this opportunity to put forth my queries and express my views. Thank you so very much sir.
- **Dr. Habil Khorakiwala – Founder Chairman, Wockhardt:**
- Thank you very much, Tushar. May I now invite Mr. Vinod Agarwal?
- **Mr. Vinod Agarwal – Shareholder:**
- Respected Chairman, Mr. Habil Khorakiwala, MD. Mr. Murtaza Khorakiwala, CFO Deepak Madnani and CS, Debashis Dey, good afternoon Chairman Sir. I voted for all the resolutions sought to be passed in today's meeting.
- Sir, my two or three observations from the annual report. We are a wonderful company for medical treatments like, WCK 5222 phase three trials to be done in 11 countries with 80 patients to be completed in 18 months. What will be the cost of this trial, I would like to know. Our company's forte is in R&D based products for diabetes and hepatitis. Any further developments in these products? Like, if the patents go just change or add certain qualities to those products so that the product keeps on....we can keep on marketing them, sir.
- And restructuring of our business, sir. We have got a liability from there about Rs. 294 crore and we are setting it off it is shown as an exceptional item, sir. What will be the status after that, sir? And we are going to do contract manufacturing which is very good, sir. I appreciate that Sir so that no liabilities of US FDA approvals come from out there, sir.
- And sir, you filed an NCE - New Chemical Entities. Seven were granted of which five were for the new plant. In the patent that we filed 3,239 over the period of time we already received 810 patents, sir. And we did an agreement with Serum Institute on profit sharing basis for 15 years Sir. I'd like to know what was the profit in the first year and maybe in this year, sir. Beyond that it becomes too futuristic to ask for the questions. So what will be the profits and what will be the revenues out of this deal with them? And any other company has approached us for using our facilities for the two sterile facilities that we have got like Serum Institute did?
- And I congratulate the R&D team under you for coming out with very new products which are world's first and which save lives, sir. And when other treatments fail, our company's products have saved lives on the five patients, WCK 5222. I congratulate the company for that and I hope the company will come into profit sir. It has been very-very long time that the company has not come into profit. I wish the company all the best, sir. I am sure it will come into profits under your guidance sir. You are a very dedicated person to your research and new products Sir.
- Signing off Vinod Agarwal from Mumbai. Thank you.
- **Dr. Habil Khorakiwala – Founder Chairman, Wockhardt:**
- We have our last speaker now, Yachna Bhatia.

- **Ms. Yachna Bhatia – Shareholder:**

- Hi, a very good afternoon to all of you. Before I start, I just wanted to mention sir, that our shareholders, we have done a lot of background work and since this is the only forum that we get to communicate with you, I would request if you can dwell in detail on the questions being asked, especially pertaining to WCK 5222 and 4873.
- Starting with my questions on WCK 4873. So, I understand that we are in the later stages of the trials in India. If you could just elaborate on what have been the observations or the results so far, have we faced any issues, how has the experience been and what is the potential market size for this drug in India? So, let's assume that we launch this in H1 next year, how do you see sales ramping up in FY25 and 26? That was for India.
- Coming to China. So, as an earlier speaker also mentioned that we had received an upfront payment of \$10 million. I understand there were two more milestone payments. Was that totalling \$20 million? Is that the correct amount, and, when do we expect to receive them? Also, what is the potential of this drug in China? Elaborate on the status of trials in China and by when do we expect the revenue in terms of royalty to start from the sales in China?
- Coming to the next point on WCK 5222. So I was going through the CTRI website and I saw WCK 5222 was mentioned there with a lot of details in terms of the approved hospitals etc. So if you could elaborate in specific for India, how much time will it take to complete trials? And as far as rest of countries is concerned, I saw that recruitment had started in Europe but it was yet to start in US, China and other countries. Somewhere in the slides I saw you mention that H1 2024 is when you expect this trial to complete. I just wanted to understand how will that happen if recruitment hasn't started in some of these geographies.
- Coming to next on the EMROK. So, I was going through the previous transcript of the earnings call in February 2023 in which we had mentioned that we plan to launch this and other countries in the next 6 to 9 months. If you could elaborate on the current status, specifically, which countries are you looking at and what is the market potential? So, if I'm looking at EMROK India and ex of India, where do you see it, say 2 years down the line in terms of the revenue potential?
- On vaccines, questions have been asked earlier. I just wanted one additional data point there. In terms, if I'm looking at your overall business, is this something which can be sizable? What kind of top-line can it potentially generate, say 3 years down the line? What kind of contribution can it generate?
- One question I had on the pledge, so, 69% of our shareholding is pledged. The rating rationale mentioned that we were expecting this to come down by Q2 of FY 24. I wanted to understand what's the current status of that and how is it proposed to be reduced. These are the business specific questions.
- One last question I have is on your overall capital allocation strategy. I've read your biography, Odyssey of Courage. It was really a fascinating book to read. We have pursued this noble pursuit of developing noble antibiotics for the last 20 years. However, as a shareholder, I must say that novel drug discovery at many times is at odds with stock market investors. We are one of the oldest companies in the India pharma industry. I wanted your views as to are we ready to now focus on profitability and capital allocation and find our rightful place in terms of market cap along with novel antibiotic launches? That's all from my side. Thank you.

- **Dr. Habil Khorakiwala – Founder Chairman, Wockhardt:**

- I must thank all of you for questions you have asked. And what I would try to do is collectively respond to that. Some of the questions you have asked, I think I have covered in my introductory speech itself, which I thought I will not like to repeat the response to that. But some of the question by Mr. Anant and just now by Ms. Yachna was regarding our drug discovery program on various molecules which we have.
- Coming to Nafithromycin. Basically, the clinical trial recruitment is over and it has gone extremely well. We have no safety concern on that molecule. We hope to file it to drug controller by end of the year and sometime in the middle of next year it should be available. We would obviously be then working on introducing this product either alone with partnership with another company so that we can have a much faster penetration of the molecule in the Indian market. And we believe that EMROK and Nafithromycin put together in next to 2 to 3 years should generate a revenue of something between Rs. 150 to 200 crore, both considering India and the outside country broadly speaking.
- As far as 5222 is concerned, as I mentioned earlier, that the clinical trial we have completed 40%. Some of the countries, we are just initiating the clinical trials – India, China, US, and we expect that because it's a short window basically, because antibiotic it is one month after the patient is initiated, you complete a clinical trial. So, our estimate is in next 10 to 12 months we should complete phase III clinical trial worldwide and thereafter obviously we will file it and hopefully receive approval by 2025, and this will be a global approval. We'll begin approval receiving first from the US and then other countries, India, Europe and China it will be. So our focus is to get first approval in the US and simultaneously we apply everywhere. But since in US we have a QIDP status, we will expect that a faster approval will come from the US.
- Then there were a number of questions regarding biologics and insulin and our research. Because currently we have about more than 350 people in research organization, before I go to Biologics, on a worldwide basis and we have about 20-30 partnership for this drug molecule on an ongoing basis. And last year our total research spent new drug discovery Biologics Pharmaceutical put together was Rs. 265 crore and we expect similar kind of investment to be there in the current year and next year, and with that investment we would be able to complete our phase three clinical trial for 5222 and by that time we will have an approval for Nafithromycin coming up.
- Coming to biologics, I think we have a strategy, a global strategy. I have clarified in my communication earlier that we would be focusing on emerging market for immediate next 2-3 years to significantly improve our biologics which is currently at 20% of our turnover. It is likely to be about 30% of turnover over next 2-3 years, and that will be a significant growth we will get out of that portfolio.
- I don't have the exact number of women/female working in the company, but roughly I expect it would be around 10 to 12% across in India. Outside India it is much higher actually. It is about 20-25%. So as a company it may be somewhere in between these 10 to 20 numbers. I don't have exact numbers. Maybe we will work out and let you have them at a later stage.
- As far as our approach to compliance of our facility, which was a question asked, is we are not seeking as far as the pharmaceutical is concerned with the compliance of facilities in India. We have already given FDA all the requirement and we have fulfilled all the requirements. Till we hear from that, we do not intend to manufacture anything here and our approach in USA would be limited to the contract manufacturing organization and that is what we believe would be optimizing our revenue and profitability from that operation. But I think future trust would be our emerging market, especially in the biological.

Our operation in UK which has shown a very good growth in the first quarter and these vaccine from Serum they have identified two partners. It will go through the completion of their approval and then exhibit batches to be taken and then the business will start. This will take about a year to 15 months before one would see production taking place and revenue coming out of that arrangement. We have currently the facility for that. We are also in discussion with another company. Once it's finalized, one would know what additional opportunities we have but we are actively seeking those opportunities from our UK operation.

- I have tried to answer broadly some of these questions which you have raised. If some of the details which you asked, market share and so on and so forth is not available with me at the moment. Probably I'll request my team to contact you and give you those information after we collect those data.
- With these words, may I thank you all for actively participating in this question answer session today. As all items today of the AGM are now being transacted and as already informed earlier, the e-voting window shall remain open for another 15 minutes after the conclusion of proceedings, those members who are yet to cast their vote are requested to use this facility to cast their vote now. I may also request some of you who have asked question and I may not have been able to answer some of them fully because of lack of information primarily at this point in time. I would encourage you to ask our team if you seek further clarification which we would be happy to provide for you.
- The combined results of remote e-voting and voting at the AGM along with the Scrutinizer's report shall be submitted to the stock exchange within 48 hours of conclusion of AGM. Results shall also be placed on the website of the company and NSDL. Thank you very much for your participation and continued support and looking forward to meeting you next year. God bless us all. Good evening and all the best to you.

- ***E-voting***

End of Transcript