This Preliminary Placement Document relates to an issue made to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and no offer is being made through this Preliminary Placement Document to the public or any other categories of investors other than the Eligible QIBs. This Preliminary Placement Document is not an offer to sell securities and is not soliciting an offer to buy securities in any jurisdiction where such offer or sale or subscription is not permitted. The information in this Preliminary Placement Document is not complete and may be changed.

# WOCKHARDT LIMITED

Wockhardt Limited (our "**Company**" or the "**Issuer**") was incorporated as '*Wockhardt Pharmaceuticals Limited*' on July 8, 1999, as a public limited company under the Companies Act, 1956 pursuant to a certificate of incorporation granted by the Registrar of Companies, Maharashtra at Mumbai ("**RoC**"). Our Company received the certificate of commencement of business from the RoC on September 1, 1999. Subsequently, pursuant to a board resolution passed on December 3, 1999, and special resolution passed at the meeting of the shareholders held on December 3, 1999, the name of our Company was changed to '*Wockhardt Limited*' and consequently, a fresh certificate of incorporation, dated December 28, 1999, was issued by the RoC. For further details, see the sections titled, "***Organisational Structure of our Company***" and "***General Information***" on pages 215 and 349, respectively.

**CIN:** L24230MH1999PLC120720

**Registered Office**: Wockhardt Research Centre, D-4, MIDC, Chikalthana, Chhatrapati Sambhajinagar 431 006, Maharashtra, India.

**Corporate Office**: Wockhardt Towers, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India.

**Tel.:** +91 240 6694 444/ +91 22 2653 4444; **Email**: investorrelations@wockhardt.com; **Website:** www.wockhardt.com

**Company Secretary and Compliance Officer:** Rashmi Dinesh Mamtura

Issue of [●] equity shares of face value of ₹ 5 each (the "**Equity Shares**") at a price of ₹ [●] per Equity Share (the "**Issue Price**"), including a premium of ₹ [●] per Equity Share, aggregating to ₹ [●] crores (the "**Issue**"). For further details, see "***Summary of the Issue***" on page 37.

**THE ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS"), SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT, 2013"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER.**

The Equity Shares of our Company are listed on the National Stock Exchange of India Limited (the "**NSE**") and the BSE Limited (the "**BSE**" and together with NSE, the "**Stock Exchanges**"). The closing prices of the Equity Shares on the NSE and the BSE as on November 6, 2024 were ₹ 1,269.85 and ₹ 1,269.95 per Equity Share, respectively. Our Company has received in-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**SEBI Listing Regulations**") for listing of the Equity Shares to be issued pursuant to this Issue, from each of BSE and NSE on November 6, 2024. Our Company shall make applications to the Stock Exchanges for obtaining final listing and trading approvals for the Equity Shares to be issued pursuant to this Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to be issued pursuant to this Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or the Equity Shares.

**OUR COMPANY HAS PREPARED THIS PRELIMINARY PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT TO ELIGIBLE QIBs (AS DEFINED HEREINAFTER) IS BEING MADE IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS, SECTION 42 OF THE COMPANIES ACT, 2013 READ WITH RULE 14 OF THE PAS RULES AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND OTHER RULES MADE THEREUNDER. THIS PRELIMINARY PLACEMENT DOCUMENT SHALL BE CIRCULATED TO ONLY SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY, PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN TO QUALIFIED INSTITUTIONAL BUYERS AS DEFINED IN THE SEBI ICDR REGULATIONS. YOU ARE NOT AUTHORIZED TO AND MAY NOT (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT, IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILIZE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI ICDR REGULATIONS, THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.**

**INVESTMENT IN EQUITY SHARES INVOLVES A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "*RISK FACTORS*" BEGINNING ON PAGE 45 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONDUCT ITS OWN DUE DILIGENCE ON US AND THE EQUITY SHARES AND CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT.**

A copy of this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereinafter) has been delivered to the Stock Exchanges and a copy of the Placement Document (which will include disclosures prescribed under Form PAS-4) will be delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the RoC, within the stipulated period as required under the Companies Act, 2013 and PAS Rules. This Preliminary Placement Document has not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), the Stock Exchanges or any other listing or regulatory authority and is intended only for use by Eligible QIBs. This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and the Issue will not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sales of the Equity Shares to be issued pursuant to this Issue shall only be made pursuant to this Preliminary Placement Document together with the Application Form, the Placement Document and the Confirmation of Allocation Note (each as defined hereinafter). For further details, please see the section titled "***Issue Procedure***" on page 224. The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs to whom this Preliminary Placement Document is specifically addressed, and persons retained by such Eligible QIBs to advise them with respect to their purchase of Equity Shares is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

The information on the websites of our Company and Subsidiaries, or any other website directly or indirectly linked to the websites of our Company and Subsidiaries, or the website of the Book Running Lead Manager (as defined hereinafter) or its affiliates, does not constitute nor form part of this Preliminary Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites for their investment in this Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "*offshore transactions*", as defined in and in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**") and in accordance with the applicable laws of the jurisdiction where those offers and sales are made. For the selling restrictions in certain other jurisdictions, see "***Selling Restrictions***" on page 239. See "***Transfer Restrictions and Purchaser Representations***" on page 245 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

This Preliminary Placement Document is dated November 6, 2024

**BOOK RUNNING LEAD MANAGER**

**DAM Capital Advisors Limited**

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## NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Preliminary Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Preliminary Placement Document contains all information with respect to our Company, our Subsidiaries and the Equity Shares which our Company considers material in the context of the Issue. The statements contained in this Preliminary Placement Document relating to our Company, our Subsidiaries and the Equity Shares are, in all material respects, true and accurate and are not misleading, and the opinions and intentions expressed in this Preliminary Placement Document with regard to our Company, our Subsidiaries and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to us. There are no other facts in relation to our Company, our Subsidiaries and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Preliminary Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. Unless otherwise stated, all information in this Preliminary Placement Document is provided as of the date of this Preliminary Placement Document and neither our Company nor the BRLM has any obligation to update such information to a later date. The information contained in this Preliminary Placement Document has been provided by our Company and from other sources identified herein.

DAM Capital Advisors Limited (the "**Book Running Lead Manager**" or the "**BRLM**") have made reasonable enquiries but not separately verified all of the information contained in this Preliminary Placement Document (financial, legal or otherwise). Accordingly, neither the BRLM nor any of its shareholders, employees, officers, directors, representatives, agents, associates, affiliates or counsel makes any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the BRLM or any of its shareholders, employees, officers, directors, representatives, agents, associates, affiliates or counsel as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information (financial, legal or otherwise) supplied in connection with the Issue or the distribution of the Equity Shares. Each person receiving this Preliminary Placement Document acknowledges that such person has neither relied on the BRLM nor any of its shareholders, employees, officers, directors, representatives, agents, associates, affiliates or counsel in connection with such person's investment decision, and each such person must rely on its own examination of us and the merits and risks involved in investing in the Equity Shares offered in the Issue.

This Preliminary Placement Document is being furnished on a confidential basis solely for the purpose of enabling prospective Eligible QIBs to consider subscribing for the particular securities described herein. The distribution of this Preliminary Placement Document to any person other than the Eligible QIBs specified by the Book Running Lead Manager or its representatives, and those persons, if any, retained to advise such investor with respect thereto, is unauthorised, and any disclosure of its contents, is prohibited. Any reproduction or distribution of this Preliminary Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and make no copies of this Preliminary Placement Document or any offering material in connection with the Issue.

No person is authorised to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorised by, or on behalf of our Company or the BRLM. The delivery of this Preliminary Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

**The Equity Shares have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including SEBI. No authority has passed on or endorsed the merits of this Issue or the accuracy or adequacy of this Preliminary Placement Document. Any representation to the contrary may be a criminal offence in certain jurisdictions.**

**Subscribers of the Equity Shares offered in the Issue will be deemed to have made the representations, warranties, acknowledgements and agreements set forth in "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 5, 239 and 245, respectively.**

The distribution of this Preliminary Placement Document and the Issue in certain countries or jurisdictions may be restricted by law. As such, this Preliminary Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, except for in India, no action has been taken by our Company or the BRLM that would permit an offering of the Equity Shares in the Issue or the distribution of this Preliminary Placement Document in any country or jurisdiction where action for that purpose is required. Accordingly, the Equity Shares issued pursuant to the Issue may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor other materials issued in connection with the Issue may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. In particular, the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable

U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S. For the selling restrictions in certain other jurisdictions, see "*Selling Restrictions*" on page 239.

In making an investment decision, the prospective investors must rely on their own examination of our Company, the Equity Shares and the terms of the Issue, including the merits and risks involved. Investors should not construe the contents of this Preliminary Placement Document as legal, business, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, investment, legal, tax, accounting and related matters concerning the Issue. In addition, neither our Company nor the BRLM are making any representation to any investor, purchaser, offeree or subscriber of the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or subscriber under applicable laws or regulations. Prospective investors should conduct their own due diligence on the Equity Shares and our Company.

**Each Bidder in the Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and is eligible to invest in India and in our Company under Indian laws, including Chapter VI of the SEBI ICDR Regulations and Section 42, other applicable provisions of the Companies Act, 2013 and Rule 14 of the PAS Rules and is not prohibited by SEBI or any other regulatory authority from buying, selling or dealing in securities. This Preliminary Placement Document contains summaries of certain terms of certain documents, which are qualified in their entirety by the terms and conditions of such documents and disclosures included in the section titled "*Risk Factors*" on page 45.**

The information on our Company's website at www.wockhardt.com or any website directly or indirectly linked to our Company's website or the websites of the BRLM, its associates or affiliates, or the websites of the Stock Exchanges does not constitute or form part of this Preliminary Placement Document. Prospective investors should not rely on any such information contained in, or available through, any such websites.

## REPRESENTATIONS BY INVESTORS

All references to "you" and "your" in this section are to the prospective investors in the Issue. By Bidding for, and/or subscribing to, Equity Shares under the Issue, you are deemed to have made the representations, warranties, acknowledgements, and agreements set forth in the sections titled "***Notice to Investors***", "***Selling Restrictions***" and "***Transfer Restrictions and Purchase Representations***" on pages 3, 239 and 245, respectively, and have represented, warranted, acknowledged and agreed to our Company and the BRLM, as follows:

1. Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Company or its Subsidiaries which is not set forth in this Preliminary Placement Document;

2. You are a "qualified institutional buyer" ("**QIB**") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under the applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (*hereinafter defined*) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act 2013, to the extent applicable, and all other applicable laws; and (ii) undertake to comply with the SEBI ICDR Regulations and all other applicable laws including any reporting obligations, requirements/ making necessary filings, with appropriate regulatory authorities, including the RBI and Stock Exchanges, if any, in connection with the Issue or otherwise accessing capital markets;

3. You are eligible to invest in India and in the Equity Shares under applicable law, including the FEMA Rules, and any notifications, circulars or clarifications issued thereunder, each as amended and have not been prohibited by SEBI or any other regulatory or statutory authority from buying, selling or dealing in securities or otherwise accessing capital markets in India. Further, you are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act, 2013;

4. You are aware that in terms of the FEMA Rules, and any notifications, circulars or clarifications issued thereunder, the total holding by each FPI including its investor group (which means having common ownership of more than 50% or common control) shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the total holdings of all FPIs put together shall not exceed the sectoral cap applicable our Company. In terms of the FEMA Rules, for calculating the total holding of FPIs in a company, holding of all registered FPIs shall be included. Hence, Eligible FPIs may invest in such number of Equity Shares in the Issue such that (i) the individual investment of the FPI in our Company does not exceed 10% of the post-Issue paid-up Equity Share capital of our Company on a fully diluted basis and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company. In case the holding of an FPI investor group increases to 10% or more of the total paid-up Equity Share capital, on a fully diluted basis, such FPI shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach or such other time as may be prescribed by SEBI and the RBI from time to time. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by the Company and the investor with applicable reporting requirements;

5. If you are not a resident of India, but a QIB, you are an Eligible FPI (and are not an individual, corporate body or a family office) having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and are eligible to invest in India under applicable law, including the FEMA Rules, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets. Since FVCIs (*as defined hereinafter*) are not permitted to participate in the Issue, you confirm that you are not an FVCI;

6. You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws;

7. You agree that our Company shall make necessary filings with the RoC (which shall include certain details such as your name, address and number of Equity Shares Allotted), in terms of Section 42 of the Companies Act, 2013 and Rule 14 of the PAS Rules, or other provisions of the Companies Act, 2013, and you consent to such disclosure being made by us. You will provide the information as required under the Companies Act, 2013, the PAS Rules and the applicable provisions of the SEBI ICDR Regulations for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number and bank account details, and such other details as may be prescribed or otherwise required even after the closure of the Issue;

8. If you are Allotted the Equity Shares pursuant to the Issue, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the floor of the Stock Exchanges and in accordance with any

other resale restrictions applicable to you (additional restrictions apply if you are in certain jurisdictions outside India). You hereby make the representations, warranties, acknowledgements, undertakings and agreements in the section titled "***Selling Restrictions***", "***Transfer Restrictions and Purchaser Representations***" on page 239 and 245, respectively;

9. You are aware that this Preliminary Placement Document and the Placement Document has not been, and will not be, registered as a prospectus with the RoC under the Companies Act, 2013, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. This Preliminary Placement Document and the Placement Document have not been and will not be reviewed, verified or affirmed by RBI, SEBI, the Stock Exchanges, RoC or any other regulatory or listing authority and have not been and will not be filed with the RoC as a prospectus, and are intended only for use by Eligible QIBs. This Preliminary Placement Document and the Placement Document has been and will be filed with the Stock Exchanges only for the purposes of their records and will be displayed on the websites of the Company and the Stock Exchanges;

10. You are entitled to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions which apply to you and you have the necessary capacity and that you have fully observed such laws and obtained all such governmental and other consents and authorisations, in each case which may be required thereunder and have complied with all necessary formalities, to enable you to commit to participation in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorizations to agree to the terms set out or referred to in this Preliminary Placement Document), and will honour such obligations;

11. You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents ("**Company's Presentations**") with regard to our Company, the Equity Shares or the Issue; or (ii) if you have participated in or attended any Company's Presentations: (a) you understand and acknowledge that the BRLM may not have knowledge of the statements that our Company or its agents may have made at such Company's Presentations and are therefore unable to determine whether the information provided to you at such Company's Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the BRLM has advised you not to rely in any way on any information that was provided to you at such Company's Presentations, and (b) confirm that, you have not been provided any material information that was not publicly available;

12. None of our Company, the BRLM or any of its shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates is making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue and that participation in the Issue is on the basis that you are not and will not, up to the Allotment, be a client of the BRLM. Neither the BRLM nor any of its shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates have any duties or responsibilities to you for providing the protection afforded to their clients or for providing advice in relation to the Issue and are in no way acting in a fiduciary capacity to you;

13. You are aware that if you are Allotted more than 5% of the Equity Shares in the Issue, our Company shall be required to disclose your name and the number of Equity Shares Allotted to you to the Stock Exchanges, and the Stock Exchanges will make the same available on their website and you consent to such disclosures;

14. You acknowledge that all statements other than statements of historical facts included in this Preliminary Placement Document, including, without limitation, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our business), are forward-looking statements. You acknowledge that such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. You acknowledge that such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future. You shallnot place undue reliance on forward-looking statements, which speak only as on the date of this Preliminary Placement Document. None of our Company, the BRLM or any of its shareholders, directors, officers, employees, counsels, representatives, agents or affiliates assumes any responsibility to update any of the forward-looking statements contained in this Preliminary Placement Document;

15. You have been provided a serially numbered copy of this Preliminary Placement Document and have read it in its entirety, including, in particular, the section titled "***Risk Factors***" on page 45;

16. You are aware and understand that the Equity Shares are being offered only to Eligible QIBs and are not being offered to the general public and that the Allotment shall be on a discretionary basis;

17. You are aware that in terms of the requirements of the Companies Act, 2013 upon Allocation, the Company has disclosed names and percentage of post-Issue shareholding of the proposed Allottees in this Preliminary Placement Document. However, disclosure of such details in relation to the proposed Allottees in this Preliminary Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company;

18. You are able to purchase the Equity Shares in accordance with the restrictions described in the section titled "*Selling Restrictions*" on page 239 and you hereby make the representations, warranties, acknowledgements, undertakings and agreements in the section titled "*Selling Restrictions*";

19. In making your investment decision, you have (i) relied on your own examination of our Company, the Equity Shares and the terms of the Issue, including the merits and risks involved, (ii) made and will continue to make your own assessment of our Company, the Equity Shares and the terms of the Issue based solely on the information contained in this Preliminary Placement Document and as will be contained in the Placement Document, (iii) consulted your own independent advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws, (iv) relied solely on the information contained in this Preliminary Placement Document and the Placement Document and no other disclosure or representation by our Company, its Promoters, Directors and affiliates, or any other party, (v) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company and the Equity Shares, and (vi) relied upon your own investigation and resources in deciding to invest in the Issue;

20. You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You and any accounts for which you are subscribing the Equity Shares (i) acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment are each able to bear the economic risk of the investment in the Equity Shares, including a complete loss on the investment in the Equity Shares; (ii) will not look to our Company, the BRLM or any of its shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates for all or part of any such loss or losses that may be suffered; (iii) have no need for liquidity with respect to the investment in the Equity Shares; and (iv) are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resale or distribute and have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares acquired in the Issue;

21. None of the BRLM or any of its shareholders, directors, officers, employees, counsel, representatives, agents or affiliates have not provided you with any tax advice or otherwise made any representations regarding the tax consequences of the purchase, ownership and disposal of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice and will not rely on the BRLM or any of its shareholders, employees, counsel, officers, directors, representatives, agents or affiliates or our Company when evaluating the tax consequences in relation to the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You waive and agree not to assert any claim against the BRLM or our Company with respect to the tax aspects of the Equity Shares or the Issue or as a result of any tax audits by tax authorities, wherever situated;

22. That where you are acquiring the Equity Shares for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire the Equity Shares for each managed account; and to make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;

23. You are not a 'promoter' (as defined under the SEBI ICDR Regulations) of our Company and are not a person related to our Promoters, either directly or indirectly, and your Bid does not directly or indirectly represent the promoter or promoter group (as defined under the SEBI ICDR Regulations) of our Company or persons or entities related thereto;

24. You have no rights under a shareholders' agreement or voting agreement entered into with our Promoters or Promoter Group, no veto rights or right to appoint any nominee director on our Board of Directors other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares, the acquisition of which shall not deem you to be a person related to our Promoters;

25. The Bid made by you would not result in triggering a tender offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**SEBI Takeover Regulations**") and you shall be solely responsible for compliance with all other applicable provisions of the SEBI Takeover Regulations;

26. You have no right to withdraw your Application or revise your Bid downwards after the Issue Closing Date (as defined hereinafter);

27. You are eligible to apply for and hold Equity Shares so Allotted and together with any securities of our Company held by you prior to the Issue. You further confirm that your aggregate holding upon the issue and Allotment of the Equity Shares shall not exceed the level permissible as per any applicable law;

28. To the best of your knowledge and belief, your aggregate holding together with other Bidders in the Issue that belong to the same group or that are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue Size. For the purposes of this representation:

    - the expression 'belongs to the same group' shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst a QIB, its subsidiary or holding company and any other QIB; and

    - 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the SEBI Takeover Regulations;

29. You shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges;

30. You are aware and understand that the BRLM has entered into a Placement Agreement with our Company, whereby the BRLM has, subject to the satisfaction of certain conditions set out therein, severally and not jointly, agreed to manage the Issue and use reasonable efforts to procure subscriptions for the Equity Shares on the terms and conditions set forth therein;

31. The contents of this Preliminary Placement Document and that of the Placement Document are exclusively the responsibility of our Company and that neither the BRLM nor any person acting on its behalf has or shall have any liability for any information, representation or statement contained in this Preliminary Placement Document and the Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Preliminary Placement Document and the Placement Document or otherwise. By participating in the Issue, you agree to the same and confirm that you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the BRLM or our Company or any other person and none of the BRLM, our Company or any other person will be liable for your decision to participate in the Issue based on any other information, representation, warranty or statement that you may have obtained or received;

32. The only information you are entitled to rely on, and on which you have relied, in committing yourself to acquire the Equity Shares is contained in this Preliminary Placement Document and will be contained in the Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares and that you have neither received nor relied on any other information given or representations, warranties or statements made by the BRLM or our Company and neither the BRLM nor our Company will be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion that you have obtained or received;

33. You understand that the Equity Shares issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association of our Company and will be credited as fully paid and will rank *pari passu* in all respects with the existing Equity Shares including the right to receive dividend and other distributions declared;

34. You understand that the BRLM has no obligation to purchase or acquire all or any part of the Equity Shares which are subscribed by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non- performance by us of any of our respective obligations or any breach of any representations or warranties by us, whether to you or otherwise;

35. You are aware that (i) applications for in-principle approval, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations for listing and admission of the Equity Shares and for trading on BSE and NSE, were made and such approvals have been received from BSE and NSE and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final approvals for listing of the Equity Shares will be obtained in time or at all. Our Company and the BRLM shall not be responsible for any delay or non-receipt of such final approvals or any loss arising from such delay or non-receipt;

36. You acknowledge that neither the Book Running Lead Manager nor any of its affiliates have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-

performance by our Company of any of its obligations or any breach of any representations and warranties by our Company, whether to you or otherwise;

37. You are aware and understand that you are allowed to place a Bid for Equity Shares. Please note that submitting a Bid for Equity Shares should not be taken to be indicative of the number of Equity Shares that will be Allotted to a successful Bidder. Allotment of Equity Shares will be undertaken by our Company, in its absolute discretion, in consultation with the Book Running Lead Manager;

38. You acknowledge that this Preliminary Placement Document and the Placement Document do not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;

39. You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of India, and the courts in Mumbai, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Preliminary Placement Document, the Placement Document and the Issue;

40. You acknowledge that our Company, the BRLM, its affiliates, directors, officers, employees and persons in control and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings which are given to the BRLM on their own behalf and on behalf of our Company and are irrevocable;

41. You confirm that neither is your investment as an entity of a country which shares land border with India nor is the beneficial owner of your investment situated in or a citizen of such country (in each which case, investment can only be through the Government approval route), and that your investment is in accordance with press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, and Rule 6 of the FEMA Rules;

42. You agree to indemnify and hold our Company, the BRLM and its affiliates, directors, officers, employees and persons in control harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of your representations, warranties, acknowledgements and undertakings in this Preliminary Placement Document and the Placement Document including this section. You agree that the indemnity set forth in this section shall survive the resale of the Equity Shares by or on behalf of the managed accounts; and

43. Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times, up to and including the Allotment, listing and trading of the Equity Shares in the Issue.

## OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines, and approvals in terms of Regulation 21 of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended ("**SEBI FPI Regulations**"), FPIs, including the affiliates of the BRLM, who are registered as category I FPIs may issue, subscribe, or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it in India, as its underlying and herein referred to as "**P-Notes**") and persons who are eligible for registration as category I FPIs can subscribe to or deal in such P-Notes, provided that in the case of an entity that has an investment manager who is from a Financial Action Task Force member country, such investment manager shall not be required to be registered as a category I FPI. The abovementioned category I FPIs may receive compensation from the purchasers of such instruments. You should ensure that any P-Notes issued by you have been issued in compliance with all applicable laws (including KYC norms and such other conditions as specified by SEBI from time to time). An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as category I FPI, and such instrument is being transferred only to person eligible for registration as category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. P-Notes have not been and are not being offered or sold pursuant to this Preliminary Placement Document. This Preliminary Placement Document does not contain any information concerning P- Notes or the issuer(s) of any P-Notes, including any information regarding any risk factors relating thereto.

For further details relating to investment limits of FPIs, please see the section titled "***Issue Procedure***" on page 224. P-Notes may be issued only in favour of those entities which meet the eligibility criteria as laid down in Regulation 4 of the SEBI FPI Regulations. Pursuant to its circular dated June 10, 2016, SEBI has introduced additional requirements applicable to P-Notes, including (i) KYC norms for issuers of P-Notes which require identification and verification of beneficial owners of entities subscribing to the P-Note holding more than a prescribed threshold; (ii) the requirement for issuers to file suspicious transaction reports with the Indian Financial Intelligence Unit; and (iii) the requirement for the issuer to report details of intermediate transfers in the monthly reports on P-Notes submitted to SEBI. An Eligible FPI shall also ensure that no further issue or transfer of any instrument referred to above is made by or on behalf of it to any person other than such entities regulated by appropriate foreign regulatory authorities. P-Notes have not been, and are not being offered, or sold pursuant to this Preliminary Placement Document. This Preliminary Placement Document does not contain any information concerning P- Notes or the issuer(s) of any P-notes, including, without limitation, any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or above of our post-Issue equity share capital on a fully diluted basis. The SEBI has, vide a circular dated November 5, 2019, as amended issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the above-mentioned restrictions shall also apply to subscribers P-Notes. Two or more subscribers of P-Notes having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the P-Notes. In the event a prospective investor has investments as an FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Notes held in the underlying company.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 read with the Consolidated FDI Policy, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy. These investment restrictions shall also apply to subscribers of offshore derivative instruments. Further, the sectoral cap applicable to the sector in which our Company operates is 100% in greenfield and 74% in brownfield via the automatic route and beyond 74% via the Government approval route.

Affiliates of the BRLM which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on, or interests in, our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the BRLM do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the BRLM and do not constitute any obligations of, or claims on, the BRLM. Affiliates of the BRLM which are FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof.

**Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuers of such P-Notes and the terms and conditions of any such P-Notes from the issuers of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P- Notes or any disclosure related thereto. Bidders are urged to consult with their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.**

Please also see the sections titled, "***Selling Restrictions***" and "***Transfer Restrictions and Purchaser Representations***" on pages 239 and 245, respectively.

## DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of this Preliminary Placement Document has been submitted to each of the Stock Exchanges. The Stock Exchanges do not in any manner:

1) warrant, certify or endorse the correctness or completeness of the contents of this Preliminary Placement Document;

2) warrant that the Equity Shares issued pursuant to the Issue will be listed or will continue to be listed on the Stock Exchanges; or

3) take any responsibility for the financial or other soundness of our Company, its Promoters, its management or any scheme or project of our Company,

and it should not for any reason be deemed or construed to mean that this Preliminary Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

## PRESENTATION OF FINANCIAL AND OTHER FINANCIAL INFORMATION

### Certain Conventions

In this Preliminary Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to "you", "your", "offeree", "purchaser", "subscriber", "recipient", "investors", "prospective investors" and "potential investor" are to the Eligible QIBs in the Issue and references to the "Issuer", "Wockhardt", "Company", "our Company" refers to Wockhardt Limited and references to "we", "us", or "our" are to our Company together with our Subsidiaries, on a consolidated basis.

Unless otherwise specified or the context otherwise requires, all references in this Preliminary Placement Document to (i) the 'US' or 'U.S.' or the 'United States' or the 'USA' are to the United States of America and its territories and possessions; (ii) 'India' are to the Republic of India and its territories and possessions; and (iii) the 'UK' or 'U.K.' or the 'United Kingdom' are to the United Kingdom of Great Britain and its territories and possessions; and (iv) the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable.

In this Preliminary Placement Document, references to 'INR', '₹', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of India, references to "GBP" or "£" are to the legal currency of Great Britain, references to "Euro" or "€", are to the legal currency of European Union, references to "Dirham" or "AED" are to the legal currency of the United Arab Emirates, references to "Swiss Franc" or "₣" are to the legal currently of Switzerland, and references to 'USD', 'U.S. Dollars' and 'US$' are to the legal currency of the United States.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. All the numbers in this Preliminary Placement Document have been presented in crores or whole numbers, unless stated otherwise. The amounts in our Financial Statements included herein are presented in Rs. lakhs or in Rs. crores.

In this Preliminary Placement Document, references to "lakh" represents "100,000", "million" represents "1,000,000", "crore" represents "10,000,000", and "billion" represents "1,000,000,000".

Certain figures contained in this Preliminary Placement Document, including financial information, have been subject to rounding adjustments, including adjustments to round off information from our financial statements for certain periods to the nearest amount in absolute crore.

Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

### Page Numbers

Unless otherwise stated, all references to page numbers in this Preliminary Placement Document are to page numbers of this Preliminary Placement Document.

### Financial and Other Information

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise. The terms "Fiscal", "Financial Year", "Fiscals" or "Fiscal Year", refer to the 12-month period ending March 31 of that particular year. Unless stated otherwise, the financial data in this Preliminary Placement Document is derived from the Financial Statements. Our Subsidiary, Wockhardt Bionova Limited (*formerly known as Wockhardt Biologics Limited*) was incorporated on July 2, 2021 and in Fiscal 2023 our Subsidiaries, Negma Beneulex S.A (Belgium), Laboratories Pharma 2000 S.A.S (France), Niverpharma S.A.S (France), Phytex S.A.S (France); along with Laboratories Negma SAS in Fiscal 2024, were wound up.

This Preliminary Placement Document includes the following:

a) audited consolidated financial statements of the Company for Fiscal 2022 read along with the notes thereto prepared in accordance with Indian Accounting Standards (Ind AS), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and the report issued thereon (the "**Fiscal 2022 Audited Consolidated Financial Statements**");

b) audited consolidated financial statements of the Company for Fiscal 2023 read along with the notes thereto prepared in accordance with Indian Accounting Standards (Ind AS), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and the report issued thereon (the "**Fiscal 2023 Audited Consolidated Financial Statements**");

c) audited consolidated financial statements of the Company for Fiscal 2024 read along with the notes thereto prepared in accordance with Indian Accounting Standards (Ind AS), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and the report issued thereon (the "**Fiscal 2024 Audited Consolidated Financial Statements**" and collectively with Fiscal 2022 Audited Consolidated Financial Statements and Fiscal 2023 Audited Consolidated Financial Statements, the "**Audited Financial Statements**"); and

d) unaudited consolidated financial results of the Company with profit and loss statement for the period from April 1, 2023 to June 30, 2023, read along with the notes thereto, prepared in accordance with Indian Accounting Standard 34 "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and the SEBI Listing Regulations, and the report issued thereto ("**June 2023 Unaudited Consolidated Financial Results**")

e) unaudited consolidated financial results of the Company with profit and loss statement for the period from April 1, 2024 to June 30, 2024, read along with the notes thereto, prepared in accordance with Indian Accounting Standard 34 "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and the SEBI Listing Regulations, and the report issued thereto ("**June 2024 Unaudited Consolidated Financial Results**", together with the June 2023 Unaudited Consolidated Financial Results, the "**Unaudited Consolidated Financial Results**", and collectively with the Audited Financial Statements, the **"Financial Statements"**).

The Fiscal 2022 Audited Consolidated Financial Statements, the Fiscal 2023 Audited Consolidated Financial Statements, the Fiscal 2024 Audited Consolidated Financial Statements, and the June 2023 Unaudited Consolidated Financial Results, together with the respective reports issued thereon, by our Erstwhile Statutory Auditors, B S R & Co. LLP, Chartered Accountants, and the June 2024 Unaudited Consolidated Financial Results, together with the limited review report issued thereon, by our Statutory Auditors, M S K C & Associates, Chartered Accountants, have been included in this Preliminary Placement Document.

The Audited Financial Statements should be read along with the respective audit reports, and the Unaudited Consolidated Financial Results should be read along with the respective review report. Further, our Unaudited Consolidated Financial Results are not necessarily indicative of results that may be expected for the full financial year or any future reporting period and are not comparable with the annual financials.

Our Company prepares its financial statements in accordance with Ind AS, Companies Act, 2013 and other applicable statutory and/or regulatory requirements. Our Company publishes its financial statements in Indian Rupees. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including IFRS and US GAAP and the reconciliation of the financial information to other accounting principles has not been provided. No attempt has been made to explain those differences or quantify their impact on the financial data included in this Preliminary Placement Document and investors should consult their own advisors regarding such differences and their impact on our Company's financial data. The degree to which the financial information included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act, 2013 and the SEBI ICDR Regulations. Any reliance by persons not familiar with Ind AS, the Companies Act, 2013 the SEBI ICDR Regulations and practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited. Also see, "***Risk Factors – Significant differences exist between Ind AS which is used to prepare our financial information and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.****"* on page 77.

Our financial statements for the financial years ended 2022, 2023 and 2024 and unaudited consolidated financial results of the Company with profit and loss statement for the period from April 1, 2023 to June 30, 2023, and from April 1, 2024 to June 30, 2024, are prepared, and have been presented in crores in this Preliminary Placement Document.

**Non-GAAP Financial Measures**

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance such as Adjusted EBITDA, PAT Margin, Net Debt to Equity Ratio and Net worth, have been included in this Preliminary Placement Document. These may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

## INDUSTRY AND MARKET DATA

Information regarding market position, growth rates, other industry data and certain industry forecasts pertaining to our business contained in this Preliminary Placement Document consists of estimates based on data reports compiled by government bodies, data from other external sources and knowledge of the markets in which we compete. Unless stated otherwise, the statistical information included in this Preliminary Placement Document relating to the industry in which we operate has been reproduced from various trade, industry and government publications and websites more particularly described in the section titled "***Industry Overview***" on page 130.

The industry, market and economic data included in this Preliminary Placement Document has been derived from the report titled "*Assessment of Global and Indian pharmaceuticals industry*" dated October 2024 prepared by CRISIL Ratings Limited ("**CRISIL**") (the **"CRISIL Report"**). Our Company has commissioned and paid for the CRISIL Report pursuant to the engagement letter signed with CRISIL. CRISIL is not related in any manner to our Company, its Subsidiaries, our Promoters, Directors, Key Managerial Personnel and members of Senior Management.

This data in the CRISIL Report is subject to change and cannot be verified with certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analysis and estimates, so we have relied on internally developed estimates. Similarly, while we believe its internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither we nor the BRLM can assure Bidders as to their accuracy.

The extent to which the market and industry data used in this Preliminary Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled "***Risk Factors – Third party data in this Preliminary Placement Document may be incomplete or unreliable.***" on page 70.

Further, the calculation of certain statistical and/or financial information / ratios specified in the sections titled "***Business***", "***Risk Factors***", "***Management's Discussions and Analysis of Results of Operations and Financial Condition***" and otherwise in this Preliminary Placement Document may vary from the manner such information is calculated under and for purposes of, and as specified in the CRISIL Report. Data from these sources may also not be comparable. The extent to which the market and industry data used in this Preliminary Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. Accordingly, investment decisions should not be based solely on such information.

Our Company takes responsibility for accurately reproducing such information but accepts no further responsibility in respect of such information and data. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organisations) to validate market-related analysis and estimates, so our Company has relied on internally developed estimates. Similarly, while our Company believes its internal estimates to be reasonable, such estimates have not been verified by an independent source and neither our Company nor the Book Running Lead Manager can assure potential investors as to their accuracy.

**Disclaimer of the CRISIL Report**

The CRISIL Report is subject to the following disclaimer:

"*CRISIL Market Intelligence & Analytics (CRISIL MI&A), a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Wockhardt Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL MI&A operates independently of, and does not have access to information obtained by CRISIL Ratings Limited, which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL MI&A and not of CRISIL Ratings Limited. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval.*"

## FORWARD-LOOKING STATEMENTS

Certain statements contained in this Preliminary Placement Document that are not statements of historical fact constitute "forward-looking statements". Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "can", "could", "estimate", "expect", "intend", "may", "objective", "plan", "potential", "project", "pursue", "shall", "should", "will", "would", or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

The forward-looking statements appear in a number of places throughout this Preliminary Placement Document and include statements regarding the intentions, beliefs or current expectations of our Company concerning, amongst other things, the expected results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate. In addition, even if the result of operations, financial conditions, liquidity and dividend policy of our Company, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Preliminary Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Preliminary Placement Document that are not historical facts. These forward-looking statements contained in this Preliminary Placement Document (whether made by us or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Important factors that could cause the actual results, performances and achievements of our Company to be materially different from any of the forward-looking statements include, among others:

1. Failure to adhere to government regulations or maintain regulatory oversight for research, development, and product manufacturing, or if regulatory approvals are amended or revoked, could significantly hinder our ability to develop and produce products. Thus, negatively impacting our business, finances, and operations.

2. Our revenue heavily relies on our biotechnology, NCEs, generics, and international operations. If these segments underperform, or if key agreements are terminated, or if competitors gain market share, our business, financials, and operations could suffer. Therefore, changes in regulations in India or overseas, impacting our international operations or relationships with key customers, particularly in the UK and USA, could also negatively affect us.

3. Our financing agreements mandate obtaining lender consents for actions such as issuing more shares, diluting promoter shareholding, and conducting the Issue, none of which have been secured.

4. Developing new pharmaceutical products is costly, time-consuming, and uncertain. Failure to do so could harm our business prospects. Additionally, our efforts in complex generics, differentiated formulations, and biological products may not yield expected results, impacting our business, finances, and operations.

5. Our loan agreements contain restrictive covenants that may adversely affect our ability to conduct our business.

6. Our pharmaceutical operations rely heavily on approvals, licenses, and registrations, both domestically and internationally. Failure to obtain or maintain these licenses, or changes in regulations leading to expiration or revocation, could significantly impede our business operations and negatively impact our overall performance and financial stability.

7. We may not be able to comply with ongoing regulatory obligations and continued regulatory review even if we receive regulatory approvals for our drug candidates.

8. If our products cause, or are perceived to cause, severe side effects, our revenues and profitability could be adversely affected.

9. Certain manufacturing facilities are either inactive or not fully utilized. Failure to improve capacity utilization could negatively affect our business, plant and machinery assets, and financial health.

10. Our company and subsidiaries are engaged in legal proceedings, and unfavorable outcomes could significantly impact our business, financial health, and operations.

Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under the sections titled "***Risk Factors***", "***Industry Overview***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 45, 130, 187 and 98, respectively.

By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, any future gains, losses or impact on net income and net income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections. The forward-looking statements contained in this Preliminary Placement Document are based on the beliefs of the management, as well as the assumptions made by, and information currently available to, the management of our Company. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as on the date of this Preliminary Placement Document or the respective dates indicated in this Preliminary Placement Document, and we undertake no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialize, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements. In accordance with SEBI and Stock Exchange requirements, our Company and the BRLM will ensure that the eligible equity shareholders are informed of material developments until the time of the grant of listing and trading permissions by the Stock Exchanges.

## ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a public limited liability company incorporated under the laws of India. All our Promoters, Directors, Key Managerial Personnel and members of Senior Management are residents of India and all or a substantial portion of the assets of our Company and such persons are located in India. As a result, it may be difficult or may not be possible for investors outside India to effect service of process upon our Company or such persons in India, or to enforce judgments obtained against such parties outside India predicated upon civil liabilities of our Company or such directors and executive officers under laws other than Indian laws, including judgments predicated upon the civil liability provisions of the federal securities laws of the United States.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908, as amended (the "**Civil Procedure Code**"), on a statutory basis. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. India is not a party to any multilateral international treaty in relation to the recognition or enforcement of foreign judgments. However, Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards (even if such an award is enforceable as a decree or judgement).

Among other jurisdictions, the United Kingdom of Great Britain and Northern Ireland, Republic of Singapore, United Arab Emirates and Hong Kong have been declared by the Government to be reciprocating territories for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy of India. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax in accordance with applicable laws. We cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable. Our Company and the Book Running Lead Manager cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

## EXCHANGE RATE INFORMATION

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares traded on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information, for or as of the end of the period indicated with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹ per US$), the Pound (in ₹ per GBP), the Euro (in ₹ per EUR), the Swiss Franc (in ₹ per CHF) and the Dirham (in ₹ per AED) for the periods indicated. The exchange rates are based on the reference rates released by the RBI, Financial Benchmark India Private Limited ("**FBIL**") and Currency Converter, which are available on the websites of RBI, FBIL and Currency Converter. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars, Pound, Euro, Dirham and Swiss Franc at any particular rate, the rates stated below, or at all.

### 1. US$

| | | | | *(₹ per US$)* |
|---|---|---|---|---|
| | **Period end [(^)]** | **Average [(1)]** | **High [(2)]** | **Low [(3)]** |
| **Financial Year:** | | | | |
| 2024 | 83.37 | 82.79 | 83.40 | 81.65 |
| 2023 | 82.22 | 80.39 | 83.20 | 75.39 |
| 2022 | 75.81 | 74.51 | 76.92 | 72.48 |
| | | | | |
| **Month ended:** | | | | |
| October 2024 | 84.09 | 84.03 | 84.09 | 83.81 |
| September 2024 | 83.79 | 83.81 | 83.98 | 83.49 |
| August 2024 | 83.87 | 83.90 | 83.97 | 83.73 |
| July 2024 | 83.74 | 83.59 | 83.74 | 83.40 |
| June 2024 | 83.45 | 83.47 | 83.59 | 83.07 |
| May 2024 | 83.30 | 83.39 | 83.52 | 83.08 |

*(Source: www.rbi.org.in and www.fbil.org.in, as applicable)*

*[(^)] The price for the period end refers to the price as on the last trading day of the respective fiscal year or quarterly or monthly periods.*

*[(1)] Average of the official rate for each Working Day of the relevant period.*

*[(2)] Maximum of the official rate for each Working Day of the relevant period.*

*[(3)] Minimum of the official rate for each Working Day of the relevant period.*

***Notes**:*

- *If the exchange rate is not available on a particular date due to a public holiday, exchange rates of the previous Working Day have been disclosed.*
- *The exchange rates are rounded off to two decimal places.*

### 2. GBP

| | | | | *(₹ per GBP)* |
|---|---|---|---|---|
| | **Period end [(^)]** | **Average [(1)]** | **High [(2)]** | **Low [(3)]** |
| **Financial Year:** | | | | |
| 2024 | 105.29 | 104.07 | 107.64 | 100.39 |
| 2023 | 101.87 | 96.83 | 102.23 | 86.62 |
| 2022 | 99.55 | 101.78 | 104.58 | 99.36 |
| | | | | |
| **Month ended:** | | | | |
| October 2024 | 108.95 | 109.65 | 112.06 | 108.73 |
| September 2024 | 112.16 | 110.74 | 112.16 | 109.61 |
| August 2024 | 110.50 | 108.57 | 111.05 | 106.65 |
| July 2024 | 107.55 | 107.37 | 108.74 | 105.55 |
| June 2024 | 105.46 | 106.16 | 106.86 | 105.46 |
| May 2024 | 105.93 | 105.30 | 106.32 | 104.21 |

*(Source: www.rbi.org.in and www.fbil.org.in, as applicable)*

*[(^)] The price for the period end refers to the price as on the last trading day of the respective fiscal year or quarterly or monthly periods.*

*[(1)] Average of the official rate for each Working Day of the relevant period.*

*[(2)] Maximum of the official rate for each Working Day of the relevant period.*

*[(3)] Minimum of the official rate for each Working Day of the relevant period.*

***Notes**:*

- *If the exchange rate is not available on a particular date due to a public holiday, exchange rates of the previous Working Day have been disclosed.*
- *The exchange rates are rounded off to two decimal places.*

### 3. EUR

| | | | | *(₹ per EUR)* |
|---|---|---|---|---|
| | **Period end (^)** | **Average (1)** | **High (2)** | **Low (3)** |
| **Financial Year:** | | | | |
| 2024 | 90.22 | 89.80 | 92.45 | 87.07 |
| 2023 | 89.61 | 83.72 | 90.26 | 78.34 |
| 2022 | 84.66 | 86.56 | 90.51 | 83.48 |
| | | | | |
| **Month ended:** | | | | |
| October 2024 | 91.25 | 91.57 | 93.31 | 90.70 |
| September 2024 | 93.53 | 93.07 | 93.53 | 92.55 |
| August 2024 | 92.91 | 92.41 | 93.77 | 90.47 |
| July 2024 | 90.62 | 90.59 | 91.44 | 89.64 |
| June 2024 | 89.25 | 89.89 | 91.02 | 89.25 |
| May 2024 | 90.12 | 90.83 | 89.48 | 90.10 |

*(Source: www.rbi.org.in and www.fbil.org.in, as applicable)*

*(^) The price for the period end refers to the price as on the last trading day of the respective fiscal year or quarterly or monthly periods.*

*(1) Average of the official rate for each Working Day of the relevant period.*

*(2) Maximum of the official rate for each Working Day of the relevant period.*

*(3) Minimum of the official rate for each Working Day of the relevant period.*

***Notes**:*

- *If the exchange rate is not available on a particular date due to a public holiday, exchange rates of the previous Working Day have been disclosed.*
- *The exchange rates are rounded off to two decimal places.*

## 4. AED

| | | | | *(₹ per AED)* |
|---|---|---|---|---|
| | **Period end (^)** | **Average (1)** | **High (2)** | **Low (3)** |
| **Financial Year:** | | | | |
| 2024 | 22.72 | 22.55 | 22.77 | 22.25 |
| 2023 | 22.38 | 21.88 | 22.62 | 20.54 |
| 2022 | 20.68 | 20.30 | 21.00 | 19.71 |
| | | | | |
| **Month ended:** | | | | |
| October 2024 | 22.91 | 22.89 | 22.92 | 22.84 |
| September 2024 | 22.82 | 22.82 | 22.89 | 22.73 |
| August 2024 | 22.84 | 22.84 | 22.89 | 22.80 |
| July 2024 | 22.79 | 22.77 | 22.82 | 22.73 |
| June 2024 | 22.72 | 22.74 | 22.79 | 22.62 |
| May 2024 | 22.72 | 22.70 | 22.75 | 22.61 |

*(Source: https://www.currency-converter.org.uk)*

*(^) The price for the period end refers to the price as on the last trading day of the respective fiscal year or quarterly or monthly periods.*

*(1) Average of the official rate for each Working Day of the relevant period.*

*(2) Maximum of the official rate for each Working Day of the relevant period.*

*(3) Minimum of the official rate for each Working Day of the relevant period.*

***Notes**:*

- *If the exchange rate is not available on a particular date due to a public holiday, exchange rates of the previous Working Day have been disclosed.*
- *The exchange rates are rounded off to two decimal places.*

## 5. SWISS FRANC

| | | | | *(₹ per CHF)* |
|---|---|---|---|---|
| | **Period end (^)** | **Average (1)** | **High (2)** | **Low (3)** |
| **Financial Year:** | | | | |
| 2024 | 92.42 | 93.49 | 98.97 | 89.71 |
| 2023 | 89.82 | 84.16 | 90.32 | 77.20 |
| 2022 | 82.25 | 81.11 | 83.40 | 77.80 |
| | | | | |
| **Month ended:** | | | | |
| October 2024 | 97.38 | 97.58 | 99.17 | 96.84 |
| September 2024 | 99.20 | 98.95 | 99.67 | 98.15 |
| August 2024 | 98.69 | 97.83 | 99.78 | 95.89 |
| July 2024 | 95.35 | 93.75 | 95.35 | 92.35 |
| June 2024 | 92.65 | 93.35 | 94.33 | 92.45 |
| May 2024 | 92.45 | 91.70 | 92.56 | 90.66 |

*(Source: https://www.currency-converter.org.uk)*

*(^) The price for the period end refers to the price as on the last trading day of the respective fiscal year or quarterly or monthly periods.*

*(1) Average of the official rate for each Working Day of the relevant period.*

(2) *Maximum of the official rate for each Working Day of the relevant period.*
(3) *Minimum of the official rate for each Working Day of the relevant period.*

***Notes**:*

- *If the exchange rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed.*
- *The exchange rates are rounded off to two decimal places.*

## DEFINITIONS AND ABBREVIATIONS

*This Preliminary Placement Document uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein.*

*The following list of certain capitalised terms used in this Preliminary Placement Document is intended for the convenience of the reader/ prospective investor only and is not exhaustive.*

*Unless otherwise specified, the capitalised terms used in this Preliminary Placement Document shall have the meaning as defined hereunder. Further any references to any agreement, document, statute, rules, guidelines, regulations or policies shall include amendments made thereto, from time to time.*

*The words and expressions used in this Preliminary Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations framed thereunder. Notwithstanding the foregoing, terms used in the sections titled "**Taxation**", "**Industry Overview**", "**Financial Information**" and "**Legal Proceedings**" on pages 253, 130, 273 and 261, respectively, shall have the meaning given to such terms in such sections.*

**General Terms**

| Term | Description |
|---|---|
| "Our Company", "the Company", "the Issuer" or "Wockhardt" | Wockhardt Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Wockhardt Research Centre, D-4, MIDC, Chikalthana, Chhatrapati Sambhajinagar 431 006, Maharashtra, India |
| "We", "Our", or "Us" | Unless the context otherwise indicates or implies, refers to our Company along with the Subsidiaries, on a consolidated basis |

**Company related terms**

| Term | Description |
|---|---|
| "Articles" or "Articles of Association" | The Articles of Association of our Company, as amended from time to time |
| Audit Committee | The Audit Committee constituted by the Board of our Company as disclosed in the section titled "***Board of Directors and Senior Management***" on page 207 |
| "Auditors" or "Statutory Auditors" | Statutory auditors of the Company namely, M S K C & Associates, Chartered Accountants |
| "Board of Directors" or "Board" | The board of directors of our Company, including any duly constituted committee thereof, as the context may require |
| Capital Raising Committee | Capital raising committee of the Board of Directors of our Company |
| Corporate Office | Corporate office of our Company situated at Wockhardt Towers, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India |
| Corporate Social Responsibility Committee | The Corporate Social Responsibility Committee constituted by the Board of our Company as disclosed in the section titled "***Board of Directors and Senior Management***" on page 207 |
| Director(s) | The directors on the Board of our Company, as may be appointed from time to time |
| Erstwhile Statutory Auditors | Erstwhile statutory auditors of the Company namely, B S R & Co. LLP, Chartered Accountants |
| ESOS-2001 | Wockhardt employee stock option scheme - 2001 |
| ESOS-2011 | Wockhardt employee stock option scheme - 2011 |
| Equity Shares | The equity shares of a face value of ₹5 of the Company |
| Executive Director(s) | Executive directors of our Company, unless otherwise specified |
| Financial Statements | Unaudited Consolidated Financial Results, Fiscal 2024 Audited Consolidated Financial Statements, Fiscal 2023 Audited Consolidated Financial Statements and Fiscal 2022 Audited Consolidated Financial Statements |
| Fiscal 2024 Audited Consolidated Financial Statements | Audited consolidated financial statements for Fiscal 2024, read along with the notes thereto, prepared in accordance with Indian Accounting Standards (Ind AS), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India |
| Fiscal 2023 Audited Consolidated Financial Statements | Audited consolidated financial statements for Fiscal 2023, read along with the notes thereto, prepared in accordance with Indian Accounting Standards (Ind AS), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India |

| Term | Description |
|---|---|
| Fiscal 2022 Audited Consolidated Financial Statements | Audited consolidated financial statements for Fiscal 2022, read along with the notes thereto, prepared in accordance with Indian Accounting Standards (Ind AS), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India |
| Gross Proceeds | The gross proceeds of the Issue that will be available to our Company |
| Independent Director(s) | Independent directors of our Company, unless otherwise specified |
| "Key Managerial Personnel(s)" or "KMP(s)" | The key managerial personnel of our Company in accordance with the provisions of the Companies Act, 2013. For details, please see the section titled "***Board of Directors and Senior Management***" on page 207 |
| Material Subsidiaries | Wockhardt Bio AG, CP Pharmaceuticals Limited, Wockhardt UK Limited, Wockhardt USA LLC, Morton Grove Pharmaceuticals Inc, Wockpharma Ireland Limited and Pinewood Laboratories Limited. |
| Memorandum or Memorandum of Association | The Memorandum of Association of our Company, as amended from time to time. |
| Nomination and Remuneration Committee | The Nomination and Remuneration Committee constituted by the Board of our Company as disclosed in the section titled "***Board of Directors and Senior Management***" on page 207 |
| Non-Executive Director(s) | Non-executive directors of our Company, unless otherwise specified |
| Non-Executive Non-Independent Director(s) | Non-executive and non-independent directors of our Company, unless otherwise specified |
| Promoters | The Promoters of our Company, being, Habil Fakhruddin Khorakiwala and Humuza Consultants |
| Promoter Group | The individuals and entities forming part of our promoter group in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations |
| Registered Office | The registered office of the Company situated at Wockhardt Research Centre, D-4, MIDC, Chikalthana, Chhatrapati Sambhajinagar 431 006, Maharashtra, India |
| Risk Management Committee | The Risk Management Committee constituted by the Board of our Company as disclosed in the section titled "***Board of Directors and Senior Management***" on page 207 |
| Senior Management | The members of the senior management of our Company in accordance with Regulation 2 (1) (bbbb) of the SEBI ICDR Regulations |
| Shareholders | Shareholders of our Company |
| Stakeholders Relationship Committee | The Stakeholders Relationship Committee constituted by the Board of our Company as disclosed in the section titled "***Board of Directors and Senior Management***" on page 207 |
| Subsidiaries | Subsidiaries of the Company, being:<br><br>1. CP Pharma (Schweiz) AG;<br>2. CP Pharmaceuticals Limited;<br>3. MGP Inc;<br>4. Morton Grove Pharmaceuticals Inc;<br>5. Pinewood Healthcare Limited;<br>6. Pinewood Laboratories Limited;<br>7. The Wallis Laboratory Limited;<br>8. Wallis Group Limited;<br>9. Wallis Licensing Limited;<br>10. Wockhardt Bio (R) LLC;<br>11. Wockhardt Bio AG;<br>12. Wockhardt Bio Limited;<br>13. Wockhardt Bio Pty Ltd;<br>14. Wockhardt Bionova Limited (*formerly known as Wockhardt Biologics Limited*)<br>15. Wockhardt Europe Limited;<br>16. Wockhardt Farmaceutica Do Brazil Ltda;<br>17. Wockhardt Farmaceutica SA DE CV;<br>18. Wockhardt France (Holdings) S.A.S;<br>19. Wockhardt Holding Corp.;<br>20. Wockhardt Infrastructure Development Limited;<br>21. Wockhardt Medicines Limited;<br>22. Wockhardt Nigeria Limited;<br>23. Wockhardt Services SA DE CV;<br>24. Wockhardt UK Holdings Limited;<br>25. Wockhardt UK Limited;<br>26. Wockhardt USA LLC; |

| Term | Description |
|---|---|
| | 27. Wockpharma Ireland Limited; and<br>28. Z & Z Services GmbH.<br><br>The term "Subsidiary" shall be construed accordingly. |
| Unaudited Consolidated Financial Results | Unaudited consolidated financial results of the Company with profit and loss statement for the period from April 1, 2024 to June 30, 2024 (including the comparative profit and loss statement for the period from April 1, 2023 to June 30, 2023) and Unaudited consolidated financial results of the Company with profit and loss statement for the period from April 1, 2023 to June 30, 2023 (including the comparative profit and loss statement for the period from April 1, 2022 to June 30, 2022), prepared in accordance with Indian Accounting Standard 34 "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and the SEBI Listing Regulations. |

**Issue related terms**

| Term | Description |
|---|---|
| "Allocated" or "Allocation" | The allocation of Equity Shares, by our Company in consultation with the BRLM, following the determination of the Issue Price to Eligible QIBs on the basis of the Application Forms submitted by them, in consultation with the BRLM and in compliance with Chapter VI of the SEBI ICDR Regulations |
| "Allot" or "Allotment" or "Allotted" | Allotment and issue of Equity Shares pursuant to the Issue |
| Allottees | Eligible QIBs to whom Equity Shares are issued pursuant to the Issue |
| Application Amount | With respect to a Bidder shall mean the aggregate amount paid by such Bidder at the time of submitting a Bid in the Issue |
| Application Form(s) | Form (including any revisions thereof) which will be submitted by the Eligible QIBs for registering a Bid in the Issue |
| Bid Amount | The amount determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by a Bidder and payable by the Bidder in the Issue on submission of the Application Form |
| Bid(s) | Indication of an Eligible QIB's interest, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for the Equity Shares pursuant to the Issue. The term "Bidding" shall be construed accordingly |
| Bidder | Any prospective investor, being an Eligible QIB, who makes a Bid pursuant to the terms of this Preliminary Placement Document and the Application Form |
| "Book Running Lead Manager" or "BRLM" or "Placement Agent" | DAM Capital Advisors Limited |
| "CAN" or "Confirmation of Allocation Note" | Note, advice or intimation confirming Allocation of Equity Shares to such Successful Bidders after determination of the Issue Price |
| Closing Date | The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e., on or about [●], 2024 |
| Designated Date | The date on which the Equity Shares issued pursuant to the Issue, are listed on the Stock Exchanges pursuant to receipt of the final listing and trading approvals for the Equity Shares from the Stock Exchanges or the date on which Form PAS-3 is filed by our Company with the RoC, whichever is later |
| Eligible FPIs | FPIs that are eligible to participate in this Issue in terms of applicable laws, other than individuals, corporate bodies and family offices |
| Eligible QIBs | QIBs, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations that are eligible to participate in the Issue and which are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations and are not restricted from participating in the Issue under the applicable laws. Further, FVCIs are not permitted to participate in the Issue |
| Escrow Account | Special non-interest bearing, no-lien, current bank account without any cheques or overdraft facilities, to be opened in the name and style "*Wockhardt Ltd - Escrow Account QIP October 2024"* with the Escrow Bank, subject to the terms of the Escrow Agreement into which the Application Amount payable by the Bidders in connection with the subscription to the Equity Shares pursuant to the Issue shall be deposited |
| Escrow Agreement | Agreement dated November 6, 2024, entered into by and amongst our Company, the Escrow Bank and the Book Running Lead Manager for collection of the Application Amounts and remitting refunds, if any, of the amounts collected, to the Bidders |

| Term | Description |
|---|---|
| Escrow Bank | State Bank of India |
| Floor Price | Floor price of ₹ 1,162.25 for each Equity Share, calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount on the Floor Price in accordance with the approval of our Board dated May 28, 2024 and the Shareholders on June 28, 2024, and in terms of Regulation 176(1) of the SEBI ICDR Regulations |
| Fraudulent Borrower(s) | An entity or person categorised as a fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of the SEBI ICDR Regulations |
| Fugitive Economic Offender | An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018, as amended |
| "Industry Service Provider" or "CRISIL" | CRISIL Ratings Limited, being a credit rating agency registered with SEBI |
| Issue | Offer and issuance of the Equity Shares to Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of the Companies Act, 2013 and the rules made thereunder |
| Issue Closing Date | [●], 2024, the date after which our Company (or Book Running Lead Manager on behalf of our Company) shall cease acceptance of Application Forms and the Application Amount |
| Issue Opening Date | November 6, 2024, the date on which our Company (or the Book Running Lead Manager on behalf of our Company) shall commence acceptance of the Application Forms and the Application Amount |
| Issue Period | Period between the Issue Opening Date and the Issue Closing Date, inclusive of both days during which Eligible QIBs can submit their Bids along with the Application Amount |
| Issue Price | A price per Equity Share of ₹ [●] |
| Issue Size | The issue of [●] Equity Shares aggregating up to ₹ [●] crore |
| "Monitoring Agency" or "CRISIL" | CRISIL Ratings Limited, being a credit rating agency registered with SEBI |
| Monitoring Agency Agreement | Monitoring agency agreement dated October 28, 2024, entered into between our Company and CRISIL |
| Net Proceeds | The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue |
| Placement Agreement | Placement agreement dated November 6, 2024 by and among our Company and the Book Running Lead Manager |
| Placement Document | The placement document to be issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules prescribed thereunder |
| Preliminary Placement Document | This Preliminary Placement Document dated November 6, 2024 issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules prescribed thereunder |
| "QIBs" or "Qualified Institutional Buyers" | Qualified institutional buyers, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations |
| QIP | Qualified institutions placement under Chapter VI of the SEBI ICDR Regulations and applicable provisions of the Companies Act, 2013 read with applicable rules |
| Regulation S | Regulation S under the U.S. Securities Act |
| Refund Amount | The aggregate amount to be returned, if any, to the Bidders who have not been Allocated Equity Shares for all, or part, of the Application Amount submitted by such Bidder pursuant to the Issue |
| Refund Intimation | The intimation from the Company to relevant Bidders confirming refund of the Refund Amount, if any, to their respective bank accounts |
| Relevant Date | November 6, 2024, which is the date of the meeting in which our Board decided to open the Issue |
| Stock Exchanges | NSE and BSE |
| Successful Bidders | The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount with the Application Form and who are Allocated Equity Shares pursuant to the Issue |
| "U.S." or "United States" | The United States of America |
| U.S. Securities Act | The United States Securities Act of 1933, as amended |
| Wilful Defaulter | An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of the SEBI ICDR Regulations |
| Working Day | Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India |

**Business and industry related terms**

| Term | Description |
|---|---|
| AMR | Antimicrobial Resistance |
| ANDA | Abbreviated New Drug Application |
| API | Active Pharmaceutical Ingredient |
| CDMO | Contract Development and Manufacturing Organization |
| CDSCO | Central Drugs Standard Control Organisation (India) |
| CGMP | Current Good Manufacturing Practice |
| CNS | Central Nervous System |
| DMF | Drug Master Files |
| DMPK | Drug Metabolism and Pharmacokinetics |
| "EMEA" or "EMA" | European Medicines Agency |
| GMP | Good Manufacturing Practice |
| MHRA | Medicines and Healthcare Products Regulatory Agency |
| MRSA | Methicillin-Resistant Staphylococcus Aureus |
| NCE | New Chemical Entity |
| NDDS | Novel/New Drug Delivery System |
| QIDP | Qualified Infectious Disease Product |
| USFDA | United States Food and Drug Administration |

**Conventional and general terms**

| Term | Description |
|---|---|
| "₹" or "Rs." Or "INR" or "Rupees" | Indian Rupees |
| Adjusted EBITDA | Earnings before interest, taxes, depreciation and amortisation and exceptional items |
| AGM | Annual General Meeting |
| "AS" or "Accounting Standards" | Accounting Standards issued by the Institute of Chartered Accountants of India |
| BSE | BSE Limited |
| CAGR | Compound annual growth rate |
| Calendar Year | Year ending on December 31 |
| CDSL | Central Depository Services (India) Limited |
| CEO | Chief Executive Officer |
| CESTAT | Customs, Excise and Service Tax Appellate Tribunal |
| CFO | Chief Financial Officer |
| CIN | Corporate Identification Number |
| Civil Procedure Code | The Code of Civil Procedure, 1908 |
| Companies Act | The Companies Act, 2013 and applicable provisions of the Companies Act, 1956 |
| Companies Act, 1956 | The Companies Act, 1956 along with the relevant rules made thereunder |
| Companies Act, 2013 | The Companies Act, 2013, along with the relevant rules made and clarifications issued thereunder |
| Consolidated FDI Policy | Consolidated Foreign Direct Investment Policy notified by the DPIIT by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020 effective from October 15, 2020 |
| CrPC | The Code of Criminal Procedure, 1973 |
| DCA | Drugs and Cosmetics Act, 1940, as amended |
| Depositories | CDSL and NSDL |
| Depositories Act | The Depositories Act, 1996, as amended |
| "Depository Participant" or "DP" | A depository participant as defined under the Depositories Act |
| DIN | Director identification number |
| DP ID Number | Depository participant identification number |
| DPIIT | Department for Promotion of Industry and Internal Trade |
| DPCO | Drugs (Price Control) Order, 2013 |
| EGM | Extraordinary general meeting |
| EU | European Union |
| FDI | Foreign Direct Investment |
| FDI Policy | Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade (formerly called the Department of Industrial Policy and Promotion) bearing file number 5(2)/2020-FDI Policy dated and with effect from October 15, 2020 |

| Term | Description |
|---|---|
| FEMA | The Foreign Exchange Management Act, 1999, together with rules and regulations issued thereunder |
| FEMA Rules | The Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended |
| FIR | First information report |
| "Financial Year" or "Fiscal" | The period of 12 months ended March 31 of that particular year, unless otherwise stated |
| Form PAS-4 | Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014 |
| FPIs | Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations |
| FVCI | Foreign Venture Capital Investor, as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, registered with SEBI |
| GAAP | Generally Accepted Accounting Principles |
| GDP | Gross Domestic Product |
| General Meeting | AGM or EGM |
| "GoI" or "Government" | Government of India |
| GST | Goods and Services Tax |
| HUF | Hindu Undivided Family |
| HNI | High Net-worth Individual |
| ICAI | Institute of Chartered Accountants of India |
| IFRS | International Financial Reporting Standards |
| "Income-tax Act" or "I.T. Act" | Income Tax Act, 1961 |
| Ind AS | Indian accounting standards, as per the roadmap issued by the Ministry of Corporate Affairs, Government of India, notified by the MCA under section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015, as amended |
| Indian GAAP | Indian Generally Accepted Accounting Principles (GAAP) as notified under Section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 |
| IRDAI | Insurance Regulatory and Development Authority of India |
| ISIN | International Securities Identification Number |
| MAT | Minimum alternate tax |
| MCA | Ministry of Corporate Affairs, GoI |
| MoEF | Ministry of Finance, GoI |
| MoU | Memorandum of Understanding |
| Mutual Funds | Mutual funds registered under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 |
| NEFT | National Electronic Fund Transfer |
| Net Debt to Equity Ratio | Total borrowings less cash and cash equivalents, bank balances (other than cash and cash equivalents) and, divided by total equity |
| Net Worth | The aggregate value of the equity share capital, other equity and non-controlling interests |
| "Non-Resident Indian" or "NRI" | An individual resident outside India who is citizen of India |
| "Non-Resident" or "NR" | A person resident outside India, as defined under the FEMA |
| NPPA | National Pharmaceutical Pricing Authority, Government of India |
| NSDL | National Securities Depository Limited |
| NSE | National Stock Exchange of India Limited |
| "P.A." or "p.a." | Per annum |
| PAN | Permanent Account Number allotted under the I.T. Act |
| PAS Rules | The Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended |
| PAT | Profit after tax |
| PAT Margin | Net profit/ (loss) after tax divided by revenue from operations |
| RBI | Reserve Bank of India |
| RoC or Registrar | Registrar of Companies, Maharashtra at Mumbai |
| SCR (SECC) Regulations | The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations), Regulations, 2018, as amended |
| SCRA | The Securities Contracts (Regulation) Act, 1956, as amended |
| SCRR | The Securities Contracts (Regulation) Rules, 1957, as amended |
| SEBI | The Securities and Exchange Board of India established under the SEBI Act |
| SEBI Act | The Securities and Exchange Board of India Act, 1992, as amended |
| SEBI FPI Regulations | The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended |

| Term | Description |
|---|---|
| SEBI ICDR Regulations | The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended |
| SEBI Insider Trading Regulations | The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended |
| SEBI Listing Regulations | The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended |
| SEBI Mutual Fund Regulations | The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 |
| SEBI Takeover Regulations | The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended |
| Total Borrowings | Non-current borrowings and current borrowings |
| U.S. GAAP | Generally accepted accounting principles in the United States of America |
| VCF | Venture capital fund |

## SUMMARY OF BUSINESS

We are among the key research-based global pharmaceutical companies based in India in terms of R&D spends as a percentage of revenue (*CRISIL Report*). We are engaged in the research and development, manufacture and distribution of pure and branded generics, vaccines, biosimilars, active pharmaceutical ingredients ("**APIs**"), as well as new chemical entity ("**NCE**") antibiotics targeting antimicrobial resistance ("**AMR**").

We have three key revenue streams, namely, biotechnology, NCEs and generics. Set out below are the details of our key revenue streams, along with their contribution to our revenue from operations, for the last three financial years and three months ended June 30, 2024 and June 30, 2023:

| Category | For the year ended March 31, | | | | | | For the three months period ended | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | | June 30, 2023 | | June 30, 2024 | |
| | in ₹ crores | % of revenue from operations | in ₹ crores | % of revenue from operations | in ₹ crores | % of revenue from operations | in ₹ crores | % of revenue from operations | in ₹ crores | % of revenue from operations |
| Biotechnology | 430 | 13.3 | 421 | 15.9 | 482 | 17.2 | 83 | 12.8 | 138 | 18.7 |
| NCEs | 30 | 0.9 | 30 | 1.1 | 35 | 1.3 | 8 | 1.2 | 10 | 1.3 |
| Generics and Others* | 2,770 | 85.8 | 2,200 | 83.0 | 2,281 | 81.5 | 553 | 86.0 | 591 | 80.0 |
| **Total** | **3,230** | **100.0** | **2,651** | **100.0** | **2,798** | **100.0** | **644** | **100.0** | **739** | **100.0** |

** Includes vaccines.*

We have a global footprint with operations spread across approximately 45 countries as of June 30, 2024. For details of our revenues from India and international markets, please see "*Diversified product portfolio across multiple therapeutic segments with a global footprint*" on page 190.

We are also in the business of vaccine manufacturing and supply, supported by our long term supply arrangement with a global vaccine company. We also have long term arrangements with leading pharmaceutical companies for Miqnaf (Nafithromycin), Emrok and Emrok O and Methycobal in China, Russia and India, respectively.

We manufacture and distribute pharmaceutical products across acute therapeutic areas, such as pain management, cough, nutrition, steroids, anti-infective and acute dermatology, and chronic therapeutic areas, such as diabetes, nephrology, neuropsychiatry, chronic pain and chronic dermatology, as well as different drug delivery forms, including solids, injectables, biotechnology, liquids, nasal sprays and complex technologies.

We are focused on deepening our market share in chronic therapies, which typically involve medicines being prescribed over an extended period of time as opposed to once or for a limited period of time. Chronic therapeutic areas accounted for 39%, 47%, 48%, 48% and 47% of our total revenue from continuing operations for Fiscal 2022, 2023, 2024, and the three months period ended June 30, 2024 and June 30, 2023, respectively, as compared to acute therapeutic areas, which accounted for 51%, 47%, 46%, 45% and 43%, respectively, of our revenue from operations during the same periods. For further details of our revenue from our various therapeutic areas, please see "*Our Products*" on page 195.

For Fiscal 2022, 2023, 2024, and the three months period ended June 30, 2024 and June 30, 2023, biotechnology contributed 13%, 16%, 17%, 13% and 19% to our revenue from operations.

We have leveraged our established capabilities in manufacturing and distribution of pharmaceutical and biotechnology products to build innovative and multi-disciplinary research and development capabilities. Our research and development efforts have resulted in 3,265 patents filed and 842 patents held worldwide as of June 30, 2024. We have over 350 scientists with 63 PhDs and more than 132 associates in the drug discovery team across our two research and development centres (one R&D centre each in India and United Kingdom) and other locations as of June 30, 2024.

We have more than 25 years of experience in novel antibiotics research leading to end-to-end discovery and development capabilities. We launched two NCEs in India in June 2020, namely the Emrok and Emrok O antibiotics, against the treatment of acute bacterial skin and skin structure infections; including methicillin-resistant staphylococcus aureus ("**MRSA**") infections, which is a leading cause of AMR. Additionally, all six of our anti-bacterial NCEs, namely, Zaynich (WCK 5222), Miqnaf (Nafithromycin), EMROK (WCK 771), EMROK O (WCK 2349), Foviscu (WCK 4282) and Odrate (WCK 6777) have been granted the Qualified Infectious Disease Product ("**QIDP**") status by the US FDA, which provides for fast track clinical development process and priority review, coupled with a 5 year extension to market exclusivity (*CRISIL Report*).

- Based on market opportunity, we have also filed for market authorisation/registration for Emrok and Emrok O in some of the emerging markets including, Thailand, Philippines, Vietnam, Kenya, Tanzania, Nigeria and Uganda.

- We are developing Zaynich (WCK 5222) a β-lactam enhancer - a new class of antibiotic to treat Multi Drug Resistant/ Extensive Drug Resistant Gram-negative infections. It is currently under Global Phase III clinical study for cUTI indication for 528 patients and around 90% patients have been recruited so far.
- Nafithromycin (Miqnaf) -a broad spectrum lactone ketolide for Community Acquired Bacterial Pneumonia (CABP) and Upper Respiratory tract infections (URTI) is currently awaiting approval for manufacturing and marketing from DCGI for the Indian market.
- WCK 4282 (Foviscu) is undergoing Phase III clinical trials for complicated Urinary Tract Infections. This drug also has potential for HABP/VABP indication. WCK 6777 (Odrate) has completed Phase I clinical trial for complicated Urinary Tract Infections. The study was conducted in collaboration with National Institute of Health, USA.

With our current experience in novel antibiotics research, discovery and development capabilities, we believe that we are in a position to leverage to our advantage the need for AMR targeting drugs in the market. We have also extensive experience in biotechnology focused on anti-diabetes biosimilars. We have developed & commercialized Recombinant Human Insulin and Insulin Glargine under Wosulin and Glargine brand name in India as well as emerging markets. Our end to end capabilities in development and commercialization of anti-diabetes biosimilars positions us well to capture value in diabetes biosimilars market.

We have received US FDA approvals for 54 abbreviated new drug applications ("**ANDAs**") and 37 are pending approval as of June 30, 2024. For the years ended March 31, 2022, 2023, 2024, and the three months period ended June 30, 2023 and June 30, 2024, we invested ₹ 301 crores, ₹ 273 crores, ₹ 281 crores, ₹ 71 crores and ₹ 67 crores which contributed to 9%, 10%, 10%, 11% and 9%, respectively, of the total income towards expenditure on research and development.

We have also made significant investments in our manufacturing infrastructure to support the production of various products in our portfolio and regularly update and upgrade our facilities in line with regulatory requirements and in order to continue to drive efficiencies and quality in our business. As on the date of this Preliminary Placement Document, we have 12 manufacturing facilities, nine of which are located in India and one each in the United Kingdom, Ireland and the United Arab Emirates. Our Wockhardt Biotech Park in Chhatrapati Sambhajinagar, India has dedicated units for manufacturing APIs, biosimilars, recombinant formulations and our diabetes portfolio. Our fully automated lyophilisation unit in Chhatrapati Sambhajinagar is able to produce lyophilized injection dosage forms that are used to improve the bioavailability, stability, solubility and patient compliance.

**Key Performance Indicators**

Set forth below are our key performance indicators for the periods indicated:

*(₹ in crores, unless otherwise stated)*

| Particulars | March 31, 2022 | March 31, 2023 | March 31, 2024 | Three months period ended June 30, 2023* | Three months period ended June 30, 2024* |
|---|---|---|---|---|---|
| Revenue from operations | 3,230 | 2,651 | 2,798 | 644 | 739 |
| Net Loss after tax | (279) | (621) | (472) | (136) | (16) |
| Adjusted EBITDA | 318 | 223 | 122** | 30 | 121 |
| PAT Margin (%) | (9%) | (23%) | (17%) | (21%) | (2%) |

* *Not annualised.*

** *The amount reported as Adjusted EBITDA in Fiscal 2024, is lower due to an impairment loss on asset held for sale of ₹ 79 crores and loss on sale of property, plant and equipment of ₹ 52 crores recognized during the year.*

*(₹ in crores, unless otherwise stated)*

| Particulars | March 31, 2022 | March 31, 2023 | March 31, 2024 |
|---|---|---|---|
| Total equity | 4,202 | 3,662 | 3,662 |
| Total borrowings | 1,862 | 1,887 | 2,112 |
| Cash and cash equivalents | 370 | 90 | 505 |
| Bank balances (other than cash and cash equivalent) | 36 | 34 | 24 |
| Net Debt to Equity Ratio | 0.35 | 0.48 | 0.43 |

For a reconciliation of Adjusted EBITDA, PAT Margin and Net Debt to Equity ratio, please see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Reconciliation of Non-GAAP measures*" on page 116.

**Competitive Strengths**

***Products in therapeutic areas that are growing quickly in India and internationally***

The global pharmaceuticals market has logged a CAGR of ~4% from ~$1,200 billion in 2018 to ~$1,494 billion in 2023 *(CRISIL Report).* However, it is expected to sustain 5-5.5% CAGR over the next five years from 2023 to 2028 to reach ~$1,900 to $1,950 billion by 2028 *(CRISIL Report).* We manufacture and distribute pharmaceutical products across various acute therapeutic areas,

such as pain management, cough, nutrition, steroids, anti-infective and acute dermatology, and chronic therapeutic areas, such as diabetes, nephrology, neuropsychiatry, chronic pain and chronic dermatology and have a portfolio of NCE antibiotics that target AMR. Chronic therapies accounted for 39%, 47%, 48%, 48% and 47%, and anti-infectives accounted for 10%, 11%, 10%, 10% and 9%, respectively, of our revenue from operations for the Fiscals 2022, 2023, 2024, and the three months period ended June 30, 2023 and June 30, 2024.

Diabetes is a key chronic target market for us due to the increasing prevalence of chronic diseases globally (*CRISIL Report*). An increase in sedentary lifestyle has heightened the risk of chronic diseases, which is also raising healthcare spending. This is evident primarily in fast-growing economies (*CRISIL Report*). The growth in the biosimilars space is expected to continue in the coming few years. In the anti-diabetic therapy area insulin glargine and insulin lispro are some of the notable and some of the first biosimilars to be launched in the global market (*CRISIL Report*). Global biopharmaceutical drugs worth approximately USD 80 billion to USD 100 billion are going off patent over the next five years globally (*CRISIL Report*), which presents a great opportunity to launch biosimilars in regulated markets for us. As on June 30, 2024, our diabetes biosimilars, human insulin and insulin glargine are registered in more than 30 emerging markets, including Philippines, Malaysia, Thailand, Russia, Mexico, Algeria, Vietnam, Brazil and others. Our diabetes biosimilars have direct presence in around 10 emerging markets including India. Our biosimilars portfolio consists of human insulin and insulin glargine which have been commercialised, as well as new insulin analogs (insulin aspart and insulin lispro) and WCK 9406 (fast acting + long acting combination which is Wockhardt's innovation bio-better), which are currently under development. This positions us well to harness the growing medical needs in this sector.

In India, the overall anti-infective therapy formulations market, estimated at ₹ ~229 billion as of fiscal 2023, is expected to grow at 7.5-9.5% CAGR from Fiscal 2023 to Fiscal 2028 (*CRISIL Report*). Anti-infectives, valued at ~$80-85 billion as of 2023, are expected to grow at a 3.0-3.5% CAGR between 2023 and 2028, supported by increased generic drug penetration, increased R&D on multi-drug resistant micro-organisms, but the low cost to benefit ratio will keep value growth limited. Overall, anti-infective therapy value in generic formulations is expected to reach $100-105 billion by 2028 (*CRISIL Report*). Our antibiotic drug discovery portfolio includes our anti-bacterial NCEs, namely Zaynich (WCK 5222), Miqnaf (Nafithromycin), Foviscu (WCK 4282) and Odrate (WCK 6777), which are currently in various stages of development and testing.

Our Subsidiary, Wockhardt Bio AG, has entered into a supply and collaboration agreement in 2022, with a global vaccine company for a term of 15 years, to undertake fill and finish services for vaccines in the United Kingdom. This is a collaboration for multiple vaccines and the profit sharing arrangement of 51:49, is in favour of Wockhardt Bio AG. Further, Wockhardt Bio AG has reserved capacity of 150 million doses per annum for such collaboration. Under the terms of the collaboration agreement, the global vaccine company is required to supply the drug substance for the vaccines for fill and finish at the Company's facility in Wrexham, North Wales, UK, owned and controlled by our Subsidiary, CP Pharmaceuticals Limited.

Demand for our products and the launch of new pharmaceutical and biotechnology products has also been driven by a number of demographic and macroeconomic factors, such as changes in lifestyles which have led to more chronic diseases, in particular diabetes, cancer and cardiovascular diseases, increased uptake of medicines due to increased per capita income and awareness, the spread and availability of health insurance and population growth. These factors are expected to drive growth in the pharmaceutical industry in India *(CRISIL Report).*

***Diversified product portfolio across multiple therapeutic segments with global footprint***

We currently manufacture and distribute pharmaceutical products across various acute therapeutic areas, including pain management, cough, nutrition, steroids, anti-infective and acute dermatology, and chronic therapeutic areas, including diabetes, nephrology, neuropsychiatry, chronic pain and chronic dermatology, as well as different drug delivery forms, including solids, injectables, biotechnology, liquids, nasal sprays and complex technologies. Our large diversified product portfolio, which covers various therapies and geographies, helps us to realize sales and distribution synergies, as well as help reduce the risks associated with dependence on any particular product or country. Our capabilities also spread across various segments such as branded generics, over the counter drugs, hospitals, antibiotic drug discovery, biotechnology, and pharmaceutical generics.

We have a global footprint across approximately 45 countries as of June 30, 2024, with operations in USA, Europe, UK, Ireland, India, ROW and CIS regions. The following table sets forth a breakdown of our sales in India and international markets, also expressed as a percentage of our revenue from continuing operations for Fiscal 2022, 2023, 2024 and the three months period ended June 30, 2023 and June 30, 2024:

| Particulars | For the year ended March 31, | | | | | | For the three months period ended | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | | June 30, 2023 | | June 30, 2024 | |
| | In crores | % | In crores | % | In crores | % | In crores | % | In crores | % |
| ***Markets*** | | | | | | | | | | |
| United States of America | 342 | 11 | 303 | 11 | 147 | 5 | 48 | 7 | 27 | 4 |
| Europe | 1,615 | 50 | 1,184 | 45 | 1,416 | 51 | 321 | 50 | 361 | 49 |
| United Kingdom | 1,342 | 41 | 887 | 34 | 1,041 | 38 | 247 | 38 | 276 | 38 |

| Particulars | For the year ended March 31, | | | | | | For the three months period ended | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | | June 30, 2023 | | June 30, 2024 | |
| | In crores | % | In crores | % | In crores | % | In crores | % | In crores | % |
| Ireland | 153 | 5 | 158 | 6 | 179 | 6 | 45 | 7 | 45 | 6 |
| Others | 120 | 4 | 139 | 5 | 196 | 7 | 29 | 5 | 40 | 5 |
| RoW and CIS region | 612 | 19 | 555 | 21 | 632 | 23 | 124 | 19 | 191 | 26 |
| **International Business** | **2,569** | **80** | **2,042** | **77** | **2,195** | **78** | **494** | **77** | **579** | **78** |
| **India** | **661** | **20** | **609** | **23** | **603** | **22** | **150** | **23** | **160** | **22** |
| **Total** | **3,230** | **100** | **2,651** | **100** | **2,798** | **100** | **644** | **100** | **739** | **100** |

As part of our global operations, we have entered into various arrangements with foreign partners. For example, under our retail generics business, we have entered into an agreement with Poundland Limited, a variety store chain in the United Kingdom, in relation to the supply of our Ibuprofen tablets. Similarly, under our hospital generics business, pursuant to a supply contract with the National Health Service ("**NHS**"), we supply generic medicines and injectable products to wholesalers. Our Subsidiaries, CP Pharmaceuticals Limited and Wockhardt UK Limited combined have a headcount of over 390 on roll employees as on June 30, 2024.

In the United States of America, we have a broad portfolio of ANDAs for our international generics business and have received US FDA approvals for 54 ANDAs with 37 ANDAs pending; and over 788 marketing authorizations worldwide as of June 30, 2024. Our filings in the United States of America focus on injectables and value-added generics, such as novel drug delivery systems.

***Integrated research and development capabilities that facilitate the drug development process.***

We have leveraged our established capabilities in manufacturing and distribution of pharmaceutical and biotechnology products to build innovative and multi-disciplinary research and development capabilities. Our research and development programme is primarily focused on the areas of pharmaceutical research and biotechnology, as well as novel drug delivery systems and new drug discovery. Our research and development program is also focused on genomics research. Our research and development efforts have resulted in 3,265 patents filed and 842 patents held worldwide as of June 30, 2024. Our sales of Emrok and Emrok O, which are patent-protected products, accounted for 0.9%, 1.1%, 1.2%, 1.2% and 1.3% each of our revenue from operations for Fiscals 2022, 2023, 2024 and for the three months period ended June 30, 2023 and June 30, 2024.

We have over 350 scientists with 63 PhDs and more than 132 associates in the drug discovery team across our two research and development centres (one R&D centre each in India and United Kingdom) and other locations as of June 30, 2024, which is indicative of our integrated research and development capabilities.

With more than 25 years in the industry, our focused commitment to novel antibiotic research has lead to end-to-end discovery and development capabilities. Our research and development activities primarily include developing new products, improving existing products, improving and innovating drug delivery systems and expanding product applications. We have invested significantly to augment our research and development capabilities specifically around major therapies (including antibiotics and diabetes), as well as injectables. Our research and development activities include the development of various dosage forms (such as injectables, oral solids, oral liquids, nasal sprays and topical products) and is supported by strong dedicated teams for analytics, documentation and intellectual property rights. We have incurred ₹ 301 crores, ₹ 273 crores, ₹ 281 crores, ₹71 crores and ₹ 67 crores in Fiscal 2022, 2023, 2024 and for the three months period ended June 30, 2023 and June 30, 2024 towards expenditure on research and development, which contributed to 9%, 10%, 10%, 11% and 9% of the total income.

Further, six of our NCE programs (novel antibiotics) have been granted the QIDP status by the US FDA which provided for fast track clinical development process and priority review, coupled with a 5 year extension to market exclusivity in the United States (*CRISIL Report*). We also have API development team focused on developing and filing our Drug Master Files ("**DMFs**") with the US FDA and regulators in other markets.

We are focused on anti-diabetes biosimilars (Insulin & Insulin analogs) with extensive R&D infrastructure of around 100 scientists including 14 PhDs. We also have inhouse product development capabilities from clone to vial manufacturing across 3 expression systems: Yeast, Bacteria and Mammalian. Our inhouse analytical development capability and bio-assay capability (structural characterization to establish biosimilarity) along with our Clinical Pharmacokinetics & Biopharmaceutics (CPB) unit offers substantial cost advantage.

***Accredited manufacturing facilities with a research and development-focused approach***

We have made substantial investments in our manufacturing infrastructure to support our product portfolio needs. As on the date of this Preliminary Placement Document, we have 12 manufacturing facilities, nine of which are located in India and one each in the United Kingdom, Ireland and the United Arab Emirates, all of which have been built to comply with UK MHRA and EMEA standards, as applicable. Our Wockhardt Biotech Park in Chhatrapati Sambhajinagar, India has dedicated manufacturing units for APIs, biosimilars, our diabetes portfolio as well as recombinant formulations. Our fully automated

lyophilisation unit in Chhatrapati Sambhajinagar is able to produce lyophilized injection dosage forms that are used to improve the bioavailability, stability, solubility and patient compliance.

We have invested in the technology at our manufacturing facilitates with the aim of ensuring compliance with regulatory requirements in India, the United States of America, United Kingdom and Europe and all other countries where we market our products; and intend to continue to invest and upgrade our facilities as our business grows and technologies evolve. Our Indian manufacturing facilities in Waluj, Shendra, Bhimpore, Kadaiya and Ankleshwar are compliant with GMP manufacturing standards across multiple jurisdictions. We also maintain a UK-MHRA approved manufacturing facility in Wrexham, Wales.

Our biosimilar facilities includes drug substance manufacturing facility (with 4 blocks) located at Waluj, Chhatrapati Sambhajinagar which is capable of manufacturing different expression system using E.coli. (bacteria), Mammalian, Yeast. We also have 3 drug product facilities for biosimilars (2 in India, 1 in UK) to handle various dosage forms cartridges, vials, pre-filled syringes, pen assembly. These biotechnology facilities have been accredited by various regulatory authorities, including WHO GMP issued by CDSCO, India, ANVISA (Brazil), Invima (Colombia), FDA (Phillipines), MOH (Thailand), NDA (Uganda), TMMDA (Turkey) and MOH (Namibia).

We believe that our in-house manufacturing capabilities, which adopt uniform manufacturing standards to achieve standardized product quality, provide us with a competitive advantage by helping us maintain quality control, mitigate the demand-supply fluctuations that routinely affect generics markets and ensure consistency and reliability of supply. In December 2021, our Company was selected under the pharmaceuticals category of the Production Linked Incentive ("**PLI**") Scheme of the Government of India and will be granted incentives amounting to a maximum of ₹ 250 crores towards strengthening our manufacturing capabilities. We continue to improve and assess our research and development programmes to increase efficiency and enhance economies of scale in order to further reduce costs.

***We are led by a qualified and experienced management team.***

We are led by a qualified and experienced management team with the vision and expertise to help manage and grow our business. In particular, our management team is led by our Founder and Executive Chairman, Habil Fakhruddin Khorakiwala, through whose leadership we have established ourselves as a key research-based global pharmaceutical companies based in India. He has served as the president of the Federation of Indian Chambers of Commerce and Industry ("**FICCI**") and as president of the Indian Pharmaceutical Alliance. He was also the chairman of the board of governors at the Centre for Organisation Development in Hyderabad and the chancellor of the Jamia Hamdard University, New Delhi. We also have a qualified strong senior management team that has significant experience in all aspects of our business. Our Managing Director, Murtaza Habil Khorakiwala was the president of the International Chamber of Commerce, India and our Whole-time Director, Huzaifa Habil Khorakiwala is the founder of the World Peacekeepers Movement. We have also been able to attract and retain senior management from top tier organizations. For instance, our Independent Director, Akhilesh Krishna Gupta was the chairman of Blackstone India. Over the past year, our management and operations in our domestic and international businesses have been spearheaded by a renewed form of leadership, with senior and experienced executives joining our Company. We believe that the knowledge and experience of our senior management in healthcare and business provides us with a strong platform as we seek to expand our business in existing markets and into new markets.

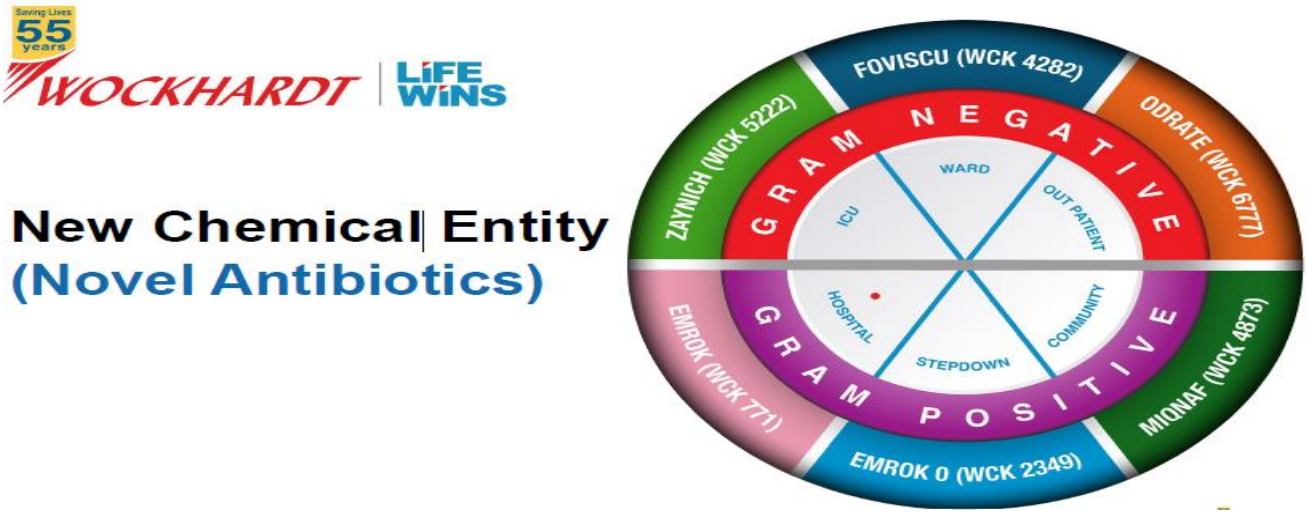
**Strategies**

***Continue to focus our business on the chronic market segment and expand into new chronic therapies.***

Chronic therapies are a growing focus of our business, accounting for 39%, 47%, 48%, 48% and 47% of our revenue from operations in Fiscal 2022, 2023, 2024 and for the three months period ended June 30, 2023 and June 30, 2024, respectively. In particular, we target areas that have recently seen increased demand for chronic therapies, such as diabetes, nephrology, neuropsychiatry, chronic pain and chronic dermatology. In particular, we target areas that have recently seen increased demand for chronic therapies, such as diabetes, nephrology, neuropsychiatry, chronic pain and chronic dermatology. The treatments for these diseases typically involve medicines being prescribed over an extended period of time as opposed to once or for a limited period of time. Further, an increase in sedentary lifestyle has heightened the risk of chronic diseases, which is also raising healthcare spending (*CRISIL Report*). We intend to grow our presence in chronic therapeutic areas by expanding our current product portfolio in a targeted manner. Diabetes is a key chronic target market for us due to the increasing prevalence of diabetes globally. Additionally, based on our presence, we intend to expand into new chronic therapeutic areas. Oncology is the largest therapy under the global formulations outsourcing segment (*CRISIL Report*). With the increased prevalence of cancer across the globe, the share of oncology is estimated to be ~$7.3 billion in 2023 (*CRISIL Report*). Oncology is followed by central nervous system ("**CNS**")-related therapy and cardiology at ~$2.8 billion and $~2.2 billion, respectively (*CRISIL Report*). In 2023, oncology had 22% share of the overall revenue of the global formulations outsourcing market, followed by CNS-related therapies and cardiology at 9% and 7%, respectively (*CRISIL Report*).

***Focus on developing novel antibiotics designed to be effective against serious and life-threatening infections caused by multi-drug resistant bacteria.***

We are developing antibiotic treatments designed to be effective against the most common and serious life-threatening infections, including resistant strains such as MRSA, a leading cause of AMR. According to WHO Global Antimicrobial Resistance and Use Surveillance System (GLASS) Report 2022, AMR is among the top 10 global health threats. Recent studies position AMR as one of the leading causes of death worldwide, with the highest mortality in low resource settings (*CRISIL Report*). We launched two NCEs in India in June 2020, namely the Emrok and Emrok O antibiotics, against the treatment of acute bacterial skin and skin structure infections such as, among others, MRSA, methicillin-susceptible staphylococcus aureus, quinolone-resistant staphylococcus aureus, quinolone-susceptible staphylococcus aureus, streptococcus pyogenes, enterococcus faecalis, streptococcus dysgalactiae and streptococcus agalactiae. We also have four NCEs, namely Zaynich (WCK 5222), Miqnaf (Nafithromycin), Foviscu (WCK 4282) and Odrate (WCK 6777), which are currently in various stages of development and testing. Based on market opportunity, we have also filed for market authorisation/registration for Emrok and Emrok O in some of the emerging markets including, Thailand, Philippines, Vietnam, Kenya, Tanzania, Nigeria and Uganda.




With our current experience in novel antibiotics research, discovery and development capabilities, we believe that we are in a position to leverage to our advantage the need for AMR targeting drugs in the market.

We have also entered into agreements with notable partners similarly engaged in the research and development of novel antibiotics against resistant infections. For instance, our Subsidiary, Wockhardt Bio AG, entered into a development, license and supply agreement with a leading pharmaceutical company in China, to develop Miqnaf (Nafithromycin), which is currently under development. Wockhardt Bio AG has also entered into a development, license and supply agreement with a Russian pharmaceutical company, to develop and market Emrok and Emrok O dosage forms in the Russian Federation.

Set forth below is a snapshot of our novel antibiotics which are currently in pipeline:

**Novel Antibiotics pipeline encompassing all the Resistant Organisms**

| | Gram Negative Portfolio | | | Gram Positive Portfolio | |
|---|---|---|---|---|---|
| | ZAYNICH® (WCK 5222) | FOVISCU® (WCK 4282) | ODRATE® (WCK 6777) | EMROK® / EMROK O® | MIQNAF® (Nafithromycin) |
| **Status** | Global *Phase III* ongoing; Carbapenem resistant pathogen study (India) ongoing | *Phase III ongoing* | *Phase I In collaboration with NIH (US)* | Launched in India; Filed in Emerging Markets | *Phase III* completed NDA filed in India |
| **Potential Indication** | cUTI, HABP / VABP (Global) + Carbapenem Resistant infections (India) | cUTI HABP / VABP | cUTI | ABSSSI | CABP / RTI |
| **Target Market** | Global | Global | Global | Emerging Market | Emerging Market |
| **Positioning** | Destination therapy for difficult-to-treat Gram-ve Klebsiella, Acinetobacter and Pseudomonas | Empiric-use; Carbapenem-sparing Gram-ve | Out-patient therapy for MDR Gram -ve | MDR Gram+ve Anti-MRSA | Macrolide-resistant Respiratory Pathogens, Quinolone-Sparing |

HABP: Hospital Acquired Bacterial Pneumonia; VABP: Ventilator Acquired Bacterial Pneumonia cUTI : Complicated urinary tract infections; CABP: Community-acquired bacterial pneumonia ; RTI: Respiratory Tract Infection; ABSSSI: Acute bacterial skin and skin structure infections; MDR: Multidrug resistance , MRSA: Methicillin-resistant Staphylococcus aureus; Gram –ve: Gram negative; Gram +ve: Gram positive
® Trademark registered in India

***Focus on developing antidiabetes biosimilars for India, Emerging Markets and Developed Markets***

We have commercialized our Recombinant Human Insulin and Insulin Glargine in more than 30 emerging markets including India. They are currently marketed under Wosulin and Glargine trademarks. In India we employ our own field force of over 650 employees as of June 30, 2024, and in emerging markets we have commercialized the products through our partners. Our end-to-end capabilities provides flexibility for leveraging local regulations, e.g. flexibility to supply drug substance to partner where local manufacturing is given preference.

We continue to develop products in the diabetes biosimilar segments and following is a snapshot of our portfolio currently under development for emerging markets as well as developed markets:

**Development status of Insulin analogues in Emerging Markets**

| | Aspart R | Aspart 30/70 | Lispro R | WCK 9406 |
|---|---|---|---|---|
| Process development | ✓ | ✓ | ✓ | ✓ |
| Process Scale Up | ✓ | ✓ | ✓* | Planned |
| Drug substance validation batches | ✓ | ✓ | ✓* | ✓ |
| Drug product validation batches | ✓ | Planned | Planned | Planned |
| PK/PD study | ✓ | | | |
| Analytical similarity | ✓ | | | |

Filed in India

E.Coli host cell as platform technology for all above products
✓ Completed
* To be further scaled up

**Status of Insulin analogues for Developed Markets**

| | Product | Insulin type | Development stage |
|---|---|---|---|
| 1 | Insulin Glargine | Long-acting Analogue | GMP batches for Clinical |
| 2 | Insulin Aspart | Rapid-acting Analogue | Product developed / Under optimization |
| 3 | Insulin Lispro | Rapid-acting Analogue | Product developed / Under optimization |

***Continue to invest in manufacturing and related technological capabilities to meet future demand.***

As on the date of this Preliminary Placement Document, we have 12 manufacturing facilities, nine of which are located in India and one each in the United Kingdom, Ireland and the United Arab Emirates.

We aim to continue investing in manufacturing technologies to build new capabilities to support our current vaccine manufacturing capacity as well as increase the production of our future portfolio of products, primarily in chronic therapeutic areas. For example, we commenced our business for contract manufacturing of vaccines in 2020, and have entered into a long term supply arrangement with a global vaccine company, which provides for a stable visibility of revenue. We will continue to invest in innovative technologies to enhance and grow our manufacturing capabilities.

We will continue to expand and upgrade our manufacturing capabilities to augment our product portfolio.

We expect that our expanded manufacturing capabilities will help us further penetrate our existing markets as well as expand into new markets.

***Increase current geographic market presence and enter new markets.***

As on June 30, 2024, we had approximately 3,995 employees, including approximately 3,018 employees on the payroll of our Company globally and approximately 977 contract employees working off roll with us across locations, either through third party contractors or on consultancy basis. Over 20% of our employees on the payroll of our Company are based outside India. We intend to maintain our strategic emphasis on India, the United States of America, the United Kingdom and Europe, while continuing to pursue growth opportunities in emerging markets and other countries. We plan to grow our business in India, the United States of America, the United Kingdom and Europe by maintaining an appropriate product mix in our portfolio with products which we consider will improve our profitability as well as utilise our capacities more efficiently. Particularly, we intend to expand our antibiotics and diabetes biosimilars portfolio in the United States of America, Europe and in emerging markets. We plan to expand our presence in these markets by increasing our portfolio of product registrations and by increasing our customer and distributor base through marketing arrangements with local distributors and pharmaceutical companies. As on June 30, 2024, our diabetes biosimilars, human insulin and insulin glargine are registered in more than 30 emerging markets, including Philippines, Malaysia, Thailand, Russia, Mexico, Algeria, Vietnam, Brazil and others. Our diabetes biosimilars have direct presence in around 10 emerging markets including India. Our biosimilars portfolio consists of human insulin and insulin glargine which have been commercialised, as well as new insulin analogs (insulin aspart and insulin lispro) and WCK 9406 (fast acting + long acting combination which is Wockhardt's innovation bio-better), which are currently under development. This positions us well to harness the growing medical needs in this sector. Based on market opportunity, we have also filed for market authorisation/registration for Emrok and Emrok O in some of the emerging markets including, Thailand, Philippines, Vietnam, Kenya, Tanzania, Nigeria and Uganda.

With our current experience in novel antibiotics research, discovery and development capabilities, we believe that we are in a position to leverage to our advantage the need for AMR targeting drugs in the market. As we are able to leverage our product portfolio for markets in India, the United States of America, the United Kingdom and Europe across several other markets, we expect to be able to continue to introduce products to these additional markets. To expand our reach to new markets, we are constantly looking for new business partnerships for growth. We will continue to evaluate new product opportunities leveraging the local market knowledge of our partners and initiate the development of products focused on such local market if we identify viable market opportunities and demand.

***Continued focus on cost management***

We aim to maintain our cost management focus through our in-house integrated manufacturing capabilities, across our business to deliver growth as well as to achieve economies of scale. In addition, we aim to achieve supply chain efficiencies through lifecycle management of products, including in-house research and development and manufacture processes. In particular, our quality assurance and quality control team will continue to support the lifecycle management of our products to improve manufacturing efficiencies, such as by shifting manufacturing lines and our internal project team will continue to seek to ensure timely execution of projects in a cost-efficient manner. Realizing these efficiencies will also support our ability to make regulatory filings promptly and consistently. In addition, our products benefit from our ability to integrate backwards to manufacture our own APIs, providing us with security and cost advantages in our supply chain. We intend to leverage the backward integration for our APIs in order to gain greater market competitiveness. We also intend to continue to manage our supply chain costs through optimal inventory levels, economic orders and other measures.

## SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Preliminary Placement Document, including the sections titled "***Risk Factors***", "***Use of Proceeds***", "***Placement***", "***Issue Procedure***" and "***Description of the Equity Shares***" on pages 45, 81, 237, 224 and 250, respectively.

| | |
|---|---|
| **Issuer** | Wockhardt Limited. |
| **Face Value** | ₹ 5 per Equity Share. |
| **Issue Size** | Issue of [●] Equity Shares at a premium of ₹ [●], aggregating to ₹ [●] crore*.<br><br>A minimum of 10% of the Issue Size i.e. at least [●] Equity Shares, shall be made available for Allocation to Mutual Funds only and the balance [●] Equity Shares shall be made available for Allocation to all QIBs, including Mutual Funds. In case of under-subscription in the portion available for Allocation to Mutual Funds, such undersubscribed portion or part thereof may be Allotted to other Eligible QIBs.<br><br>** Subject to allotment of Equity Shares pursuant to the Issue*. |
| **Date of Board Resolution** | May 28, 2024. |
| **Date of Shareholders' Resolution** | June 28, 2024. |
| **Face Value** | ₹ 5 per Equity Share of the Company. |
| **Floor Price** | ₹ 1,162.25 per Equity Share.<br><br>The Floor Price for the Issue has been calculated in accordance with Regulation 176 of Chapter VI of the SEBI ICDR Regulations.<br><br>Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of our Board dated May 28, 2024, and the shareholders of our Company accorded through their special resolution passed on June 28, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations. |
| **Issue Price** | ₹ [●] per Equity Share of the Company (including a premium of ₹ [●] per Equity Share). |
| **Eligible Investors** | Eligible QIBs, to whom this Preliminary Placement Document and the Application Form are delivered and who are not excluded pursuant to Regulation 179 of the SEBI ICDR Regulations or who are eligible to bid and participate in the Issue. For further details, please see the sections titled "***Issue Procedure – Eligible Qualified Institutional Buyers***" and "***Selling Restrictions***" on pages 228 and 239, respectively.<br><br>The list of Eligible QIBs to whom this Preliminary Placement Document and the Application Form is delivered shall be determined by the BRLM in consultation with the Company, at their sole discretion. |
| **Equity Shares issued, subscribed, paid-up and outstanding immediately prior to the Issue** | 15,34,22,546 Equity Shares of face value of ₹ 5 each, being fully paid-up. |
| **Issued, subscribed and paid-up Equity Share capital prior to the Issue** | ₹ 76,71,12,730. |
| **Equity Shares issued and outstanding immediately after the Issue** | [●] Equity Shares of face value of ₹ 5 each, being fully paid-up. |
| **Issue Procedure** | The Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act, 2013, read with Rule 14 of the PAS Rules, and all other applicable provisions of the |

| | |
|---|---|
| | Companies Act, 2013, read with Chapter VI of the SEBI ICDR Regulations. For details, please see the section titled "***Issue Procedure***" on page 224. |
| **Listing** | Our Company has received in-principle approvals dated November 6, 2024 each from BSE and NSE in terms of Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue.<br><br>Our Company shall make applications to each of the Stock Exchanges after Allotment to obtain final listing approval for the Equity Shares. |
| **Trading** | The trading of the Equity Shares would be in dematerialized form and only in the cash segment of each of the Stock Exchanges.<br><br>Our Company will make applications to each of the Stock Exchanges after credit of Equity Shares to the beneficiary account with the Depository Participant to obtain final trading approval for the Equity Shares to be issued pursuant to this Issue. |
| **Lock-up** | See "***Placement – Lock-up***" on page 237 for a description of restrictions on our Company and Promoters in relation to Equity Shares. |
| **Proposed Allottees** | See "***Details of Proposed Allottees***" on page 351 for names of the proposed Allottees and the percentage of post-Issue capital that may be held by them in our Company. |
| **Transferability Restrictions** | The Equity Shares being Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. Additional restrictions may apply in certain other jurisdictions. For further details on transferability restrictions applicable on the Equity Shares offered pursuant to the Issue, please see the section titled "***Transfer Restrictions and Purchaser Representations***" on page 245. |
| **Use of Proceeds** | The Gross Proceeds from the Issue aggregate to ₹ [●] crore*. Subject to compliance with applicable laws, the net proceeds from the Issue, after deducting fees, commissions and the estimated expenses of the Issue of approximately ₹ [●] crore, shall be approximately ₹ [●] crore. For details, please see the section titled "***Use of Proceeds***" on page 81.<br><br>** Subject to allotment of Equity Shares pursuant to the Issue*. |
| **Risk Factors** | For details, please see the section titled "***Risk Factors***" on page 45 for a discussion of risks you should consider before deciding whether to subscribe for the Equity Shares. |
| **Dividend** | See "***Description of the Equity Shares***" and "***Dividends***" on pages 250 and 97, respectively. |
| **Taxation** | Please see the section titled "***Taxation***" on page 253. |
| **Closing Date** | The Allotment is expected to be made on or about [●]. |
| **Status, ranking and dividends** | The Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares, including rights in respect of dividends. Our Shareholders (as on record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, 2013, the SEBI Listing Regulations and other applicable laws and regulations. Our Shareholders may attend and vote in shareholders' meetings on the basis of one vote for every Equity Share held.<br><br>For details, please see the sections titled "***Description of the Equity Shares***" and "***Dividends***" on pages 250 and 97. |
| **Voting Rights** | See "***Description of the Equity Shares – Voting Rights***" on page 251. |
| **Security Codes for the Equity Shares** | ISIN: INE049B01025<br>BSE Code: 532300<br>NSE Symbol: WOCKPHARMA |

## SELECTED FINANCIAL INFORMATION

The following tables set out selected financial information as extracted from our Financial Statements, prepared in accordance with the applicable accounting standards (Ind AS), Companies Act, 2013 and the requirements of SEBI Listing Regulations, as applicable, and presented in "***Financial Information***" on page 273. The selected financial information presented below should be read in conjunction with "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" and "***Financial Information***", on pages 98 and 273, respectively, for further details.

### SUMMARY OF BALANCE SHEET AS AT MARCH 31, 2024, MARCH 31, 2023, AND MARCH 31, 2022

*(₹ in crore)*

| | Particulars | As at March 31, | | |
|---|---|---|---|---|
| | | 2024 | 2023 | 2022 |
| **A)** | **ASSETS** | | | |
| **1** | **Non- Current assets** | | | |
| | (a) Property, Plant and Equipment | 1,467 | 1,558 | 1,908 |
| | (b) Right of use assets | 408 | 464 | 563 |
| | (c) Capital work-in-progress | 434 | 414 | 389 |
| | (d) Goodwill | 953 | 945 | 891 |
| | (e) Other Intangible assets | 53 | 75 | 100 |
| | (f) Intangible assets under development | 1,288 | 1,125 | 953 |
| | (g) Financial assets | | | |
| | (i) Investments | 0.45 | 0.45 | 0.45 |
| | (ii) Other non- current Financial assets | 65 | 64 | 62 |
| | (h) Non-current tax assets (Net) | 117 | 115 | 112 |
| | (i) Deferred tax assets (Net) | 579 | 608 | 573 |
| | (j) Other non-current assets | 101 | 107 | 103 |
| | **Sub-total - Non-current assets** | **5,465** | **5,475** | **5,654** |
| | | | | |
| **2** | **Current assets** | | | |
| | (a) Inventories | 640 | 658 | 769 |
| | (b) Financial assets | | | |
| | (i) Trade receivables | 618 | 797 | 918 |
| | (ii) Cash and cash equivalents | 505 | 90 | 370 |
| | (iii) Bank balance (other than Cash and cash equivalents) | 24 | 34 | 36 |
| | (iv) Other current Financial assets | 18 | 26 | 12 |
| | (c) Other current assets | 268 | 309 | 340 |
| | **Sub-total - Current assets** | **2,073** | **1,914** | **2,445** |
| | | | | |
| **3** | Asset classified as held for sale | 111 | 294 | 144 |
| | | | | |
| | **TOTAL ASSETS** | **7,649** | **7,683** | **8,243** |
| | | | | |
| **B)** | **EQUITY AND LIABILITIES** | | | |
| **1** | **Equity** | | | |
| | (a) Equity share capital | 77 | 72 | 72 |
| | (b) Other Equity | 3,282 | 3,282 | 3,777 |
| | **Equity attributable to the share holders of the Company** | **3,359** | **3,354** | **3,849** |
| | (c) Non - Controlling Interests | 303 | 308 | 353 |
| | **Sub-total- Equity** | **3,662** | **3,662** | **4,202** |
| | | | | |
| **2** | **Liabilities** | | | |
| **I.** | **Non- Current liabilities** | | | |
| | (a) Financial liabilities | | | |
| | i) Borrowings | 891 | 224 | 355 |
| | ii) Lease Liabilities | 170 | 226 | 267 |
| | iii) Other non-current financial liabilities | - | - | 152 |
| | (b) Other non-current liabilities | 72 | 78 | - |
| | (c) Provisions | 28 | 26 | 32 |
| | (d) Deferred tax liabilities (Net) | 35 | 32 | 28 |
| | **Sub-total- Non-current liabilities** | **1,196** | **586** | **834** |
| | | | | |
| **II.** | **Current liabilities** | | | |
| | (a) Financial liabilities | | | |
| | (i) Borrowings | 1,221 | 1,663 | 1,507 |
| | (ii) Lease Liabilities | 74 | 71 | 69 |
| | (iii) Trade payables | 766 | 867 | 921 |

| | Particulars | As at March 31, | | |
|---|---|---|---|---|
| | | 2024 | 2023 | 2022 |
| | (iv) Other current financial liabilities | 518 | 642 | 554 |
| | (b) Other current liabilities | 163 | 126 | 101 |
| | (c) Provisions | 39 | 44 | 37 |
| | (d) Current tax liabilities (Net) | 10 | 22 | 18 |
| | **Sub-total- Current liabilities** | **2,791** | **3,435** | **3,207** |
| | | | | |
| | **Total Liabilities** | **3,987** | **4,021** | **4,041** |
| | | | | |
| | **TOTAL EQUITY AND LIABILITIES** | **7,649** | **7,683** | **8,243** |

**SUMMARY OF STATEMENT OF PROFIT AND LOSS FOR THE THREE MONTHS ENDED JUNE 30, 2024 AND JUNE 30, 2023**

*(₹ in crore)*

| | Particulars | For the three months period ended June 30, 2024 | For the three months period ended June 30, 2023 |
|---|---|---|---|
| **1** | **Income** | | |
| | (a) Revenue from operations | 739 | 644 |
| | (b) Other income | 30 | 14 |
| | **Total income** | **769** | **658** |
| **2** | **Expenses** | | |
| | (a) Cost of materials consumed | 150 | 137 |
| | (b) Purchase of stock-in-trade | 153 | 150 |
| | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 10 | (5) |
| | (d) Employee benefits expense | 160 | 154 |
| | (e) Finance costs | 73 | 79 |
| | (f) Depreciation and amortisation expense | 54 | 55 |
| | (g) Impairment of asset held for sale | - | - |
| | (h) Exchange fluctuation loss, net | 1 | 2 |
| | (i) Loss on sale property, plant and equipment | - | - |
| | (j) Other expenses | 174 | 190 |
| | **Total Expenses** | **775** | **762** |
| **3** | **Loss before exceptional items and tax (1-2)** | **(6)** | **(104)** |
| **4** | **Exceptional items- charge** | - | (14) |
| **5** | **Loss after exceptional items before tax (3 ± 4)** | **(6)** | **(118)** |
| **6** | Tax expense: | | |
| | Current tax – charge | 2 | 9 |
| | Deferred tax - charge/ (credit) - (Net) | 8 | 9 |
| **7** | **Net Loss after tax (5 ±6)** | **(16)** | **(136)** |
| | Attributable to: | | |
| | Equity Holders of the Company | (14) | (134) |
| | Non - Controlling Interests | (2) | (2) |
| **8** | **Other Comprehensive Income** | | |
| | (a) Items that will not be reclassified to Profit or Loss - (charge)/ credit (consisting of re-measurement of net defined benefit (liability)/ asset) | (0.26) | 1 |
| | (b) Income tax relating to items that will not be reclassified to Profit or Loss - credit/(charge) | - | - |
| | (c) Items that will be reclassified to Profit or Loss - (charge)/ credit (Consisting of Exchange differences on translating the financial statements of foreign operations) | (3) | (2) |
| | (d) Other Comprehensive Income (net of tax) (a ± b ± c) | (3) | (1) |
| **9** | **Total Comprehensive Income (7 ± 8 (d))** | **(19)** | **(137)** |

**SUMMARY OF STATEMENT OF PROFIT AND LOSS FOR THE FISCAL YEARS ENDED MARCH 31, 2023 AND MARCH 31, 2022**

*(₹ in crore)*

| Sr. No | Particulars | March 31, 2024 | March 31, 2023 | March 31, 2022 |
|---|---|---|---|---|
| 1 | **Income** | | | |
| | (a) Revenue from operations | 2,798 | 2,651 | 3,230 |
| | (b) Other income | 83 | 122 | 20 |
| | **Total income** | **2,881** | **2,773** | **3,250** |
| 2 | **Expenses** | | | |
| | (a) Cost of materials consumed | 620 | 518 | 612 |
| | (b) Purchase of stock-in-trade | 559 | 509 | 568 |
| | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | (14) | 84 | 87 |
| | (d) Employee benefits expense | 629 | 637 | 749 |
| | (e) Finance costs | 305 | 302 | 299 |
| | (f) Depreciation and amortisation expense | 223 | 251 | 247 |
| | (g) Other expenses | 79 | 802 | 916 |
| | **Total expenses** | **-** | **3,103** | **3,478** |
| 3 | **Loss before exceptional items and tax (1-2)** | 52 | **(330)** | **(228)** |
| 4 | **Exceptional items- charge** | 834 | (294) | (183) |
| 5 | **Loss after exceptional items before tax (3 ± 4)** | **3,287** | **(624)** | **(411)** |
| 6 | Tax expense: | **(406)** | | |
| | Current tax - charge | (14) | 12 | 33 |
| | Tax pertaining to earlier years | **(420)** | - | 5 |
| | Deferred tax - charge/ (credit) - (Net) | | (15) | (170) |
| 7 | **Profit / (Loss) after tax (5 ±6)** | 16 | **(621)** | **(279)** |
| | Attributable to: | 36 | | |
| | Equity Holders of the Company | **(472)** | (559) | (244) |
| | Non - Controlling Interests | | (62) | (35) |
| 8 | **Other Comprehensive Income** | (463) | | |
| | (a) Items that will not be reclassified to Profit or Loss - (charge)/ credit (consisting of re-measurement of net defined benefit (liability) / asset) | (9) | (12) | (24) |
| | (b) Income tax relating to items that will not be reclassified to Profit or Loss - credit/(charge) | | 3 | 5 |
| | (c) Items that will be reclassified to Profit or Loss - (charge)/ credit (Consisting of Exchange differences on translating the financial statements of foreign operations) | (9) | 87 | (8) |
| | (d) Other Comprehensive Income (net of tax) (a ± b ± c) | 1 | 78 | (27) |
| 9 | **Total Comprehensive Income (7 ± 8 (d))** | 14 | **(543)** | **(306)** |

**SUMMARY OF STATEMENT OF CASH FLOW FOR FINANCIAL YEARS ENDED MARCH 31, 2024, MARCH 31, 2023, AND MARCH 31, 2022**

*(₹ in crore)*

| | PARTICULARS | For the financial year ended March 31, | | |
|---|---|---|---|---|
| | | 2024 | 2023 | 2022 |
| A | **CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES:** | | | |
| | Loss after exceptional items and before tax from Continuing Operations | (420) | (624) | (411) |
| | **Adjustments for:** | | | |
| | Exceptional items - Provision against inventories/ contract assets | 14 | 50 | - |
| | Impairment of asset held for sale and property, plant and equipment | 79 | 33 | - |
| | Depreciation and amortization expense | 223 | 251 | 247 |
| | Capital work in progress write off | - | 4 | - |
| | Allowance/ (Reversal of allowance) for expected credit loss, doubtful advances and bad debts provision | 54 | 22 | 20 |
| | (Profit)/ Loss on assets sale/ write off of fixed assets (net) | 52 | 59 | 6 |
| | Finance costs | 305 | 302 | 299 |
| | Foreign exchange loss/ (gain), net | (2) | (80) | (11) |
| | Interest income | (6) | (4) | (6) |
| | Employee share based payments expenses | 1 | 1 | 1 |
| | Liabilities no longer required written back | (43) | (3) | (2) |
| | | **257** | **11** | **143** |
| | **Movements in Working capital** | | | |
| | Decrease in Inventories | 8 | 141 | 30 |
| | Decrease in trade receivables | 142 | 199 | 7 |
| | Decrease/(Increase) in Loans and Advances and other assets | 35 | 18 | (113) |
| | (Decrease)/Increase in Liabilities and provisions | (193) | (205) | 457 |
| | Adjustment for translation difference for working capital movement | - | - | (14) |
| | **Cash generated from operations** | **249** | **164** | **510** |
| | Income taxes paid | (30) | (11) | (97) |
| | **Net cash inflow from Operating activities (A)** | **219** | **153** | **413** |
| | | | | |
| B | **CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES:** | | | |
| | Purchase of Property, Plant and Equipment and Capital work-in progress | (59) | (42) | (118) |
| | Purchase of Intangible assets and Addition in Intangible assets under development | (157) | (167) | (94) |
| | Proceeds from sale of property, plant and equipment | 66 | 79 | 1 |
| | Margin money under lien and Bank balances (other than cash and cash equivalents) | 10 | 3 | 7 |
| | Interest received | 3 | 2 | 3 |
| | **Net cash (outflow) Investing activities (B)** | **(137)** | **(125)** | **(201)** |
| | | | | |
| C | **CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES** | | | |
| | Proceeds from Issuance of Equity share capital under Qualified Institutions Placement (QIP) | 468 | - | 748 |
| | Transaction cost related to Qualified Institutions Placement (QIP) | (1) | (3) | (1) |
| | Proceeds from Issuance of Equity share capital under ESOS | 0.01 | 0.01 | 0.02 |
| | Proceeds from long-term borrowings | - | - | 49 |
| | Proceeds of term loan | 75 | - | - |
| | Repayment of long-term borrowings | (254) | (290) | (786) |
| | Issue of Non-convertible debentures | - | - | 237 |
| | Short-term borrowings (net) | 72 | 81 | (101) |
| | Loans from related parties | 402 | 328 | 1,348 |
| | Repayment of loans taken from related parties- Long term | (114) | - | - |
| | Repayment of loans taken from related parties- Short term | (38) | (116) | (1,302) |
| | Repayment of Lease liabilities | (79) | (73) | (71) |
| | Finance costs paid | (197) | (242) | (190) |
| | Premium on redemption of preference shares | (0.49) | - | - |
| | Equity Dividend paid to IEPF | - | - | (2) |
| | **Net cash inflow/ (outflow) from Financing activities (C)** | **334** | **(315)** | **(71)** |
| | | | | |
| | **NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)** | **416** | **(287)** | **141** |
| | **Cash and cash equivalents as at the beginning of the year** | 90 | 370 | 232 |
| | Effects of exchange rate changes on cash and cash equivalents | - | 2 | (3) |
| | Exchange difference on translation of foreign cash and cash equivalents | (1) | 5 | 0.09 |
| | **Cash and cash equivalents as at the end of the year** | **505** | **90** | **370** |
| | | | | |
| | **Cash and cash equivalents as per above comprise of the following** | | | |
| | Cash on hand | - | - | 0.09 |
| | Balance with banks: | | | |
| | - in current accounts | 505 | 90 | 370 |

## RELATED PARTY TRANSACTIONS

For details of the related party transactions during the (i) Financial Year ended March 31, 2024; (ii) Financial Year ended March 31, 2023; and (iii) Financial Year ended March 31, 2022, as per the requirements under Indian Accounting Standard (Ind AS) 24 – Related Party Disclosures, please see the section titled "***Financial Information***", on page 273 for the abovementioned period/ fiscal years respectively.

## RISK FACTORS

*This Issue and an investment in the Equity Shares involve a high degree of risk. You should carefully consider the risks described below as well as other information included in this Preliminary Placement Document before making an investment decision. If any particular or a combination of the risks described below actually occur, our business, prospects, financial condition, results of operations and cash flows could be seriously affected, the trading price of our Equity Shares could decline and you may lose all or part of your investment. Unless specified in the risk factors below, we are not in a position to quantify the financial implications of any of the risks mentioned below.*

*We have described the risks and uncertainties that our management believes are material but the risks set out in this Preliminary Placement Document may not be exhaustive or complete, and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material, as the case may be, in the future. This section should be read together with the sections, "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Industry Overview", "Business", and "Financial Information" beginning on pages 98, 130, 187 and 273 of this Preliminary Placement Document, respectively, and other financial information included elsewhere in this Preliminary Placement Document. This Preliminary Placement Document also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Preliminary Placement Document. See "Forward Looking Statements" on page* 16*.*

*In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. Prospective investors should consult their own tax, financial and legal advisors about the particular consequences to them of an investment in our Equity Shares. Any potential investor, and purchaser of our Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment which in some material respects may be different from that prevailing in other countries.*

*Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information for Fiscal 2024, Fiscal 2023 and Fiscal 2022 included herein is based on the Audited Consolidated Financial Statements, and the financial information for the three months ended June 30, 2024 is based on the Unaudited Consolidated Financial Results included in this Preliminary Placement Document. For further information, see "Selected Financial Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Information" on pages 39, 98 and 273, respectively.*

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Assessment of Global and Indian pharmaceuticals industry" dated October 2024 ("**CRISIL Report**") prepared and issued by CRISIL Research, appointed by us and exclusively commissioned and paid for by us in connection with the Issue. CRISIL has used various primary and secondary sources including government sources as well as international agencies to prepare the report. The data included herein includes excerpts from the CRISIL Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

*Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other implications or any of the risks described in this section.*

### RISKS RELATING TO OUR BUSINESS

***1. If we fail to comply fully with government regulations or to maintain continuing regulatory oversight applicable to our research and development activities or regarding the manufacture of our products, or if a regulatory agency amends or withdraws existing approvals to market our products, it may delay or prevent us from developing or manufacturing our products, which could materially adversely affect our business, results of operations, financial condition and cash flows.***

Our research and development activities are heavily regulated. If we fail to comply fully with applicable regulations, then there could be a delay in the submission or approval of potential new products for marketing approval. In addition, the submission of an application to a regulatory authority does not guarantee that approvals required to market the product will be granted. Each authority may impose its own requirements and/or delay or refuse to grant approval, even when a product has already been approved in another country. In many of the international markets into which we sell our products, the approval process for a new product is complex, lengthy and expensive. The time taken to obtain approval varies by country but generally takes from six months to several years from the date of application. This approval process increases the cost to us of developing new products and increases the risk that we will not be able to successfully sell such new products.

Regulatory agencies may at any time reassess the safety and efficacy of our products based on new scientific knowledge or other factors. Such reassessments could result in the amendment or withdrawal of existing approvals to market our

products, which in turn could result in a loss of revenue and could serve as an inducement to bring lawsuits against us. In our biosimilar business, due to the intrinsic nature of biologics, our bio-similarity claims can always be contested by our competitors, the innovator company and/or the applicable regulators. We have in the past successfully contested such claim, however we cannot assure you that we will continue to be successful in the future or if such claims by our competitors or innovator company could result in suspension of our products from the market for extended period of time affection our ability to generate revenue from such products. Delays in the receipt of, or failure to obtain approvals for, future products, or new indications and uses, could result in delayed realization of product revenues, reduction in revenues and substantial additional costs.

Additionally, governmental authorities, such as the CDSCO, US FDA, UK MHRA and EMEA, heavily regulate the manufacturing of our products, including manufacturing quality standards. Periodic audits are conducted on our manufacturing sites and if the regulatory and quality standards and systems are not found adequate, it could result in an audit observation, or a subsequent investigative letter which may require further corrective actions. While our quality practices and quality management systems are conducted in a manner designed to satisfy these types of audits, we cannot guarantee that our efforts will prevent adverse outcomes such as audit observations, corrective action requests, warning letters or import bans. Three of our manufacturing facilities in India have been issued warning letters and observations from the US FDA in the past pursuant to inspections conducted by the US FDA at our manufacturing facilities. Such warning letters were issued alleging non-compliance with current good manufacturing practice ("**CGMP**") regulations during the manufacturing process through, among other things, manipulating and deleting data, deficient in-process testing practices, poor aseptic practices in the manufacture of sterile drugs or inadequate quality control procedures. Our manufacturing facilities at Ankleshwar, Waluj and Chikalthana are also temporarily placed on 'import alert' by the US FDA in relation to such violations. As on June 30, 2024, these import alerts have resulted in lower capacity utilisation in these facilities and have adversely impacted our plant, equipment, machinery and the capital work in progress as these are currently not being used for alternate purposes. The investment in these plants had been made considering the market feasibility and the potential of existing/ future products in pipeline. Our Company is evaluating the utilisation of one or more of the aforementioned facilities towards alternate purposes, such as, manufacturing of vaccines. While we have duly submitted responses to the US FDA and endeavoured to ensure that our manufacturing standards comply with these warning letters and observations, we cannot assure you that the import alert imposed will be lifted or that we will not receive such warning letters or observations in the future. These responses include certain action items for us, which require us to include a provision in our commercial agreements for the buyer to rely on the data generated solely by the buyer and not our Company, submission of new chemistry manufacturing and controls ("**CMC**") data and bioequivalence ("**BE**") data, among others.

We restructured our business in USA owing to 483 observations and warning letters issued by the USFDA at the R&D facility in Illinois, USA which was run by our Subsidiary, Morton Grove Pharmaceuticals Inc. We were by way of a consent decree with the United States Department of Justice ("**DoJ**"), directed to resolve and settle all matters with the US FDA, whereby we had to stop all manufacturing activities at the plant. The manufacturing plant and R&D facility relating to the operations stands disposed off as on June 30, 2024. While there was no financial compensation involved, we cannot assure you that there may be no financial impact that may have an adverse effect on our operations in the future.

In recent years, there has been increasing regulatory scrutiny of pharmaceutical manufacturers, resulting in product recalls, plant shutdowns and other required remedial actions. We have been subject to increasing scrutiny of our manufacturing operations, and in the event that any of our facilities is subjected to significant regulatory actions, it will require substantial expenditures of resources to ensure compliance with more stringently applied production and quality control regulations. If any regulatory body were to require one or more of our significant manufacturing facilities to cease or limit production, our business could be adversely affected. In addition, because regulatory approval to manufacture a drug is site-specific, the delay and cost of remedial actions, or of obtaining approval to manufacture at a different facility also could have a material adverse effect on our business, financial position and results of operations. Furthermore, we deal with numerous third party manufacturers and despite our vigilance, any lapse in their quality practices and quality management systems could lead to similar adverse outcomes in the event of an audit. If we or our third party suppliers fail to comply fully with applicable regulations or to take corrective actions that are mandated, then there could be an enforced shutdown of our production facilities or an import ban, which in turn could lead to product shortages that delay or prevent us from fulfilling our obligations to customers, or we could be subjected to government fines and penalties from customers.

Further, while physicians may prescribe products for uses that are not described in the product labelling and that differ from those approved by the US FDA or other similar regulatory authorities (an "off label" use), we are permitted to market our products only for the indications for which they have been approved. The US FDA and other regulatory agencies actively enforce regulations prohibiting promotion of off-label uses, and significant liability can be imposed on manufacturers found to be engaged in off-label marketing violations, including fines in the tens or hundreds of millions of dollars, as well as criminal sanctions. If some of our products are prescribed off label, regulatory authorities such as the US FDA could take enforcement actions if they conclude that we or our distributors have engaged in off label marketing.

The regulatory requirements are still evolving in many markets where we sell or manufacture products, including our biosimilar products. There may be additional regulatory requirements during the application process, among other reasons,

which may lead to delays in product approvals or other sanctions, rejection of pending registration applications, higher costs and uncertainty.

2. ***We derive a significant portion of our revenue from our biotechnology, NCEs and generic business in India and our international operations. Our business, results of operations and financial condition may be adversely effected if our these businesses do not continue to perform as expected, or if one of our key manufacturing and supply agreements is terminated or if our competitors gain wider market acceptance. Our business may also be adversely affected if due to any change in regulations in India or overseas we are unable to continue our operations or if we are unable to maintain our relations with key customers in such locations.***

We have a global footprint across approximately 45 countries as of June 30, 2024, with operations in USA, Europe, UK, Ireland, India, ROW and CIS regions. Set out below are the details of our key revenue streams, along with their contribution to our revenue from operations, for the last three financial years and three months ended June 30, 2023 and June 30, 2024:

| Category | For the year ended March 31, | | | | | | For the three months period ended | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | | June 30, 2023 | | June 30, 2024 | |
| | in ₹ crores | % of revenue from operations | in ₹ crores | % of revenue from operations | in ₹ crores | % of revenue from operations | in ₹ crores | % of revenue from operations | in ₹ crores | % of revenue from operations |
| Biotechnology | 430 | 13.3 | 421 | 15.9 | 482 | 17.2 | 83 | 12.8 | 138 | 18.7 |
| NCEs | 30 | 0.9 | 30 | 1.1 | 35 | 1.3 | 8 | 1.2 | 10 | 1.3 |
| Generics and Others* | 2,770 | 85.8 | 2,200 | 83.0 | 2,281 | 81.5 | 553 | 86.0 | 591 | 80.0 |
| **Total** | **3,230** | **100.0** | **2,651** | **100.0** | **2,798** | **100.0** | **644** | **100.0** | **739** | **100.0** |

* *Includes vaccines*

In addition, a significant portion of our revenue from generic business is dependent on the sale of our key products. If the market growth of our key product decreases, or if profit margin on our key products in the generic business decline, our results of operation could be adversely affected. As a result of increased competition, pricing pressures or fluctuation in demand or supply of our products, our revenue from these products may decline in the future. Similarly, in the event of any breakthroughs in the development of alternative drugs for our key products or any adverse developments with respect to the sale or use of the key products, or failure to introduce new products in our generic business, could adversely affect our revenue.

The following table sets forth a breakdown of our sales in India and international markets, also expressed as a percentage of our revenue from operations, for Fiscal 2022, 2023, 2024 and for the three months period ended June 30, 2023 and June 30, 2024:

| Particulars | For the year ended March 31, | | | | | | For the three months period ended | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | | June 30, 2023 | | June 30, 2024 | |
| | In crores | % | In crores | % | In crores | % | In crores | % | In crores | % |
| ***Markets*** | | | | | | | | | | |
| United States of America | 342 | 11 | 303 | 11 | 147 | 5 | 48 | 7 | 27 | 4 |
| Europe | 1,615 | 50 | 1,184 | 45 | 1,416 | 51 | 321 | 50 | 361 | 49 |
| United Kingdom | 1,342 | 41 | 887 | 34 | 1,041 | 38 | 247 | 38 | 276 | 38 |
| Ireland | 153 | 5 | 158 | 6 | 179 | 6 | 45 | 7 | 45 | 6 |
| Others | 120 | 4 | 139 | 5 | 196 | 7 | 29 | 5 | 40 | 5 |
| RoW and CIS region | 612 | 19 | 555 | 21 | 632 | 23 | 124 | 19 | 191 | 26 |
| **International Business** | **2,569** | **80** | **2,042** | **77** | **2,195** | **78** | **494** | **77** | **579** | **78** |
| **India** | **661** | **20** | **609** | **23** | **603** | **22** | **150** | **23** | **160** | **22** |
| **Total** | **3,230** | **100** | **2,651** | **100** | **2,798** | **100** | **644** | **100** | **739** | **100** |

As indicated above, we earn significant portion of our revenue from our international markets. International markets are subject to stringent laws and regulations. While we have been meeting international quality standards on a regular basis, and have obtained approvals internationally such as US FDA, UK MHRA, EMA and other regulatory agencies, we cannot assure you that we will be able to maintain such standards, which will help us get such approvals in the future. We are severely dependent on friendly diplomatic relations India has with the aforementioned countries. In the event of any adverse change in such relations or change in the laws or regulations applicable to us in India or outside that may adversely impact our ability to manufacture, sell, market and/or distribute overseas. Further, the loss of our key customers in these jurisdictions may adversely impact our business, cash flows, results of operations and financial condition.

3. ***Our Financing documents require us to obtain consents from our lenders for, among other things, issuing further share capital, dilution of Promoter shareholding and undertaking the Issue, which have not been obtained.***

Under some of our financing documents, we require consents from the relevant lenders for carrying out certain activities in relation to the Issue including issuing Equity Shares, effecting changes in the shareholding pattern of our Company and diluting the shareholding of the Promoters in our Company. Our total outstanding borrowings as of March 31, 2024 were ₹ 2,112 crores, which included loans from related parties amounting to ₹ 1,107 crores. We have made applications to consortium of five lenders, from whom we require approvals for any further issuance of Equity Shares or any other activities in furtherance of the Issue. Further, while the five consortium lenders have noted our request for approval for the Issue as well as the dilution of the promoter shareholding below 51% and have resolved to facilitate the formalities, as on the date of this Preliminary Placement Document, we have not received express consents from the lenders, and are currently awaiting the same (such express lender consents that we are currently awaiting, the "**Pending Lender Consents**", and the financing documents relating to such Pending Lender Consents, the "**Pending Lender Consents Financing Documents**" (each a "**Pending Lender Consents Financing Document**")). Undertaking the Issue without receiving the Pending Lender Consents may constitute a default by us under the Pending Lender Consents Financing Documents and may entitle the relevant lender to declare a default against us and enforce remedies under the terms of the relevant Pending Lender Consents Financing Document, which could entail among others cancellation of our facilities, appointment of receiver or agent to enforce any or all security created in respect of the Pending Lender Consents Financing Documents, or restriction on payment of dividend.

A non-compliance by us and/or acceleration of repayment under the terms of any of the Pending Lender Consents Financing Documents and any other financing agreements for breach of other terms and conditions therein could have a possibility of triggering enforcement rights under the Pending Lender Consents Financing Document and other financing agreements. We also propose to repay/pre-pay certain facilities availed from the lenders from whom the consents are pending. Such prepayment may be subject to penalties as per the terms of the financing documents entered into with these lenders. For further details, please refer to the section titled "*Use of Proceeds*" on pages 81.

We do not expect to have sufficient funds to meet all of the repayment demands as described above, if they were to occur. Further, even if not all of our lenders make repayment demands as described above, loans for which repayment demands are made, may, individually or in aggregate, have an adverse effect on our financial condition, credit rating, prospects, business, results of operations and reputation, including our ability to raise further debt financing on terms acceptable to us or at all. The aforementioned defaults may also result in a decline in the trading price of the Equity Shares and you may lose all or part of your investment. We cannot assure you that we will be able to obtain Pending Lender Consents for undertaking the Issue, and we also cannot assure you that, failing which, such lenders will not resort to the actions described herein. Further, consent obtained from the lenders, if any, may subject us to conditions which can limit our ability to use the proceeds in a manner anticipated by us.]

4. ***New product development is time-consuming and costly, and the outcome is uncertain. If we fail to develop and commercialise new pharmaceutical products, our business prospects could be adversely affected. Further, our research and development efforts invested in our complex generics, differentiated formulations, anti-infective NCE portfolio, and biological products may not achieve expected results, which could materially adversely affect our business, results of operations, financial condition and cash flows.***

Our long term competitiveness depends on our ability to develop and commercialise new pharmaceutical products for both the Indian and overseas markets through our research and development activities. We have incurred ₹ 301 crores, ₹ 273 crores, ₹ 281 crores, ₹71 crores and ₹ 67 crores in Fiscal 2022, 2023, 2024 and for the three months period ended June 30, 2023 and June 30, 2024, towards expenditure on research and development, which contributed to 9%, 10%, 10%, 11% and 9% of the total income.

We develop, test and manufacture generic products as well as prove that our generic products are bio-equivalent or biosimilar to their branded counterparts. The development and commercialization process, particularly with respect to complex molecules and biosimilars, is both time consuming and costly and involves a high degree of business risk. Our products currently under development, if and when fully developed and tested, may not perform as we expect or meet our standards of safety and efficacy. Necessary regulatory approvals may not be obtained in a timely manner, if at all, and we may not be able to successfully and profitably produce and market such products. Further, our approved products may not achieve expected levels of market acceptance.

Our efforts to develop new drug candidates or to pursue the development of our drug candidates for additional indications require substantial technical, financial and human resources. Our research and development efforts may initially show promise in identifying drug candidates and/or potential new indications, yet fail to yield successful results for a number of reasons, including:

- the research methodology used may not be successful in identifying drug candidates and/or potential indications;

- potential drug candidates may, after further study, be shown to have adverse effects or other characteristics that indicate they are unlikely to be able to receive regulatory approvals;

- it may take greater human and financial resources to develop suitable potential drug candidates or to identify additional therapeutic opportunities for our drug candidates through internal research and development than we possess, thereby limiting our ability to diversify and expand our portfolio of drug candidates;

- we face increased challenges in implementing our strategies to develop biologics drug candidates due to our limited historical experience in this field; and

- increased challenges in developing biologics drug candidates due to the high level of complexities in the processes involved and associated significant costs.

We have leveraged our established capabilities in manufacturing and distribution of pharmaceutical and biotechnology products to build innovative and multi-disciplinary research and development capabilities. Our research and development programme are primarily focused on the areas of pharmaceutical research, biotechnology and genomics research, as well as novel drug delivery systems and new drug discovery. Our research and development efforts have resulted in 3,265 patents filed and 842 patents held worldwide as of June 30, 2024. In addition, six of our antibiotic products indicated for the treatment of bacterial infection have been granted patent protection as on June 30, 2024.

We have further filed for market authorisation/registration for Emrok and Emrok O in some of the emerging market, including, Thailand, Philippines, Vietnam, Kenya, Tanzania, Nigeria and Uganda. Our sales of Emrok and Emrok O, which are patent-protected products, accounted for 0.9%, 1.1%, 1.2%, 1.2% and 1.3% each of our total revenue from operations for Fiscals 2022, 2023, 2024 and for the three months period ended June 30, 2023 and June 30, 2024.

The development process of these NCEs, along with the development of new NCEs may be subject to certain obstacles, which may include: preclinical failures; difficulty enrolling patients in clinical trials; adverse reactions or other safety concerns arising during clinical trials; shortfall in meeting non-inferiority margin as compared to comparator antibiotic; and failure to obtain, or delays in obtaining, the required regulatory approvals for the new drug application or the facilities in which it is manufactured.

In addition, we may not be successful in developing additional drug candidates through in-licensing due to a number of reasons, including inability to identify appropriate drug candidates or reach agreement with the relevant counterparties or failure to successfully advance the development of the drug candidate as contemplated.

We may be particularly exposed to risks with respect to our overseas product development programmes. We have and may enter into arrangements with other parties for the development, sale and marketing of our products in overseas markets and to meet regulatory requirements. In such cases, the success of our research and development efforts may depend on collaborating with other parties having the capability to handle complex technologies and market our products. Lack of effective project management at our end, or any failure to manage such arrangements with parties in the future, may pose significant risks to product development, to our ability to obtain requisite regulatory approvals in a timely manner, and to our ability to successfully and profitably produce and market such products. The parties collaborating with us may fail to perform pursuant to agreements or meet regulatory standards, or cause clinical trials to be delayed, prematurely terminated or otherwise unsuccessful. In addition, the parties with whom we collaborate may misuse, infringe or violate our intellectual properties to their advantage, pursue alternative technologies as a means of developing or marketing products for the diseases targeted by our collaborative programmes, adopt or implement unsuccessful marketing strategies for products that we successfully develop or fail to devote the necessary resources to successfully commercialise such products.

Moreover, there can be no assurance that the pharmaceutical products we develop will be successfully commercialised. Since the product development process is lengthy, the competitive landscape for the pharmaceutical products we develop may differ significantly from what we had anticipated, particularly because the approval process for new pharmaceutical products is increasingly lengthy, and our products may not hold the competitive advantages in pricing or efficacy that we had anticipated during their development. We could also fail to develop and implement an effective marketing strategy with respect to those products we are able to successfully develop. Consequently, our new pharmaceutical products may not yield an appropriate return on our related research and development costs. In the event we fail to successfully develop and commercialise new pharmaceutical products, our business prospects could be adversely affected.

***5. Our loan agreements contain restrictive covenants that may adversely affect our ability to conduct our business. Further, there are share transfer restrictions in relation to some of our overseas Subsidiaries.***

As of March 31, 2024, our Company had a total outstanding borrowing amounting to ₹ 2,112 crores, on a consolidated basis, including loans from related parties amounting to ₹ 1,107 crores. We have breached certain covenants in some of our loan agreements, such as debt service coverage ratio, Adjusted EBITDA to debt ratio, and capital structure matrix, which have been waived and/or noted by our respective lenders. We cannot assure you that we will be able to continue to obtain such waivers for breach of covenants in the future. If we are unable to obtain the necessary waivers the lenders may

initiate action against us including acceleration of indebtedness which could adversely impact our cash flow and our ability to manage our working capital requirements. Further, certain covenants in some of these loan agreements require us to obtain prior written consent from the lenders before, *inter alia*, undertaking any new projects or expansion scheme, incurring additional debt, changes in capital structure or in the management control of our Company and undertaking this Issue. These restrictions may limit our flexibility in responding to business opportunities, competitive developments and adverse economic or industry conditions. A failure to comply with such covenants in the future may restrict or delay certain actions or initiatives that we may propose to take. We cannot assure you that we can obtain necessary waivers for all non-compliances or remedy defaults in time or at all in the future. A breach of any of these covenants in the future could result in a variety of adverse consequences, including the acceleration of our indebtedness which could require us to dedicate our cash flow towards repayment and could adversely affect our ability to conduct our business or raise further financing.

There are certain restrictions on transfer of shares of our foreign Subsidiary, Wockpharma Ireland Limited, wherein, its directors may, at their absolute discretion, may decline to register the transfer of any of their shares, unless provided under its constitutional documents. While, Pinewoods Laboratories Limited, has amended its constitution documents to dis-apply the absolute power of the directors to refuse to register a transfer where the shares have been charged by way of security in favour of a third party wherein the third party can initiate such transfer of shares, there is no such amendment made by Wockpharma Ireland Limited. Further, there is a lien on the shares of our foreign Subsidiary, Wockhardt USA LLC, which is in the process of being rectified. We cannot assure you that this will be rectified or will not have a material adverse effect on our business operations.

***6. The pharmaceutical industry is highly regulated and our business and operations are dependent on various approvals, licenses and registrations both in India and outside India. If we or parties on whom we rely fail to obtain or maintain the necessary licences for our business activities, or if changes to existing regulations result in our licenses being expired or revoked, our ability to conduct our business could be materially impaired, which could materially adversely affect our business, results of operations, financial condition and cash flows.***

The pharmaceutical industry is highly regulated. We are governed by various local, regional and national regulatory regimes both in India and overseas in various aspects of our operations, including licensing and certification requirements and procedures for manufacturers of pharmaceutical products, operating and safety standards, as well as environmental protection regulations. There can be no assurances that the legal framework, licencing and certification requirements or enforcement trends in our industry will not change in one or more jurisdictions where we currently operate in a manner that does not result in increased costs of compliance, or that we will be successful in responding to such changes. In addition, we are subject to the risk of adverse changes to favourable policies from which we currently benefit, and the introduction of unfavourable policies.

We are required to obtain, maintain and renew various licenses, approvals and certificates in order to develop, produce, promote and sell our pharmaceutical products, and the third parties on whom we may rely to develop, produce, promote, sell and distribute our products are subject to similar requirements. These licenses and approvals pertain to, *inter alia*, product and drug manufacturing licenses issued by the MHRA, factory licenses and environmental clearances for our manufacturing units, import licenses issued by the CDSCO and wholesale licenses issued by state licensing authorities. We and parties on whom we rely, such as third-party manufacturers are subject to regular inspections, examinations, inquiries or audits by the regulatory authorities, and an adverse outcome of such inspections, examinations, inquiries or audits may result in the loss or non-renewal of the relevant approvals, licenses and certificates. In addition, we will need to apply for the renewal of certain approvals, licenses and certificates that have expired or seek new approvals, licenses and certificates from time to time, as and when required in the ordinary course of business. The criteria used in reviewing such fresh or renewal applications may change from time to time and there can be no assurances we or the parties on whom we rely will be able to meet such new criteria. Further, if the interpretation or implementation of existing laws and regulations change, or new regulations come into effect, so as to require us or parties upon whom we rely to obtain any additional permits, licences or certifications that were previously not required to operate our business, there can be no assurances that we or parties upon whom we rely will successfully obtain such permits, licences or certifications. If we fail to obtain, renew or maintain the requisite approvals, we could be subject to penalties from the relevant statutory and regulatory authorities and this may have an adverse effect on our business and results of operations.

The process of obtaining regulatory approvals in India, the United States and in other geographies is expensive, may take many years if additional clinical trials are required and can vary substantially based upon a variety of factors, including the type, complexity and novelty of the drug candidates involved. Changes in or the enactment of additional laws, regulations or approval policies may cause delays in the approval process or rejection of an application. The CDSCO, US FDA, UK MHRA, EMA and comparable authorities in other countries have substantial discretion in the approval process and may refuse to accept any application or may decide that our data are insufficient for approval and require additional pre-clinical, clinical or other studies. Further, even upon receipt of the approvals, regulatory authorities may still restrict the use of our drug candidates to a narrow population. Regulatory authorities may also revoke the approval, approve any of our drug candidates for fewer or more limited indications than we request, may monitor the price we intend to charge for our drugs, may grant approval contingent on the performance of costly post-marketing clinical trials, or may approve a drug candidate

with a label that does not include the labelling claims necessary or desirable for the successful commercialisation of that drug candidate. Any of the foregoing scenarios could materially harm the commercial prospects for our drug candidates.

***7. We may not be able to comply with ongoing regulatory obligations and continued regulatory review even if we receive regulatory approvals for our drug candidates.***

Our products are and, if approved, our candidate products will be, subject to ongoing regulatory requirements for manufacturing, labelling, packaging, storage, advertising, promotion, sampling, record-keeping, conduct of post marketing studies, and submission of safety, efficacy, and other post-market information in India, the United States, the United Kingdom, the European Union and any other jurisdictions where they receive marketing approvals.

The CDSCO, US FDA, UK MHRA, EMA or a comparable regulatory authority may withdraw approval if compliance with regulatory requirements and standards is not maintained or if problems occur after the drug reaches the market. Later discovery of previously unknown problems with our products or candidate products or with our third-party manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may result in revisions to the approved labelling to add new safety information; imposition of post-market studies or clinical studies to assess new safety risks; or imposition of distribution restrictions or other restrictions under a risk evaluation and mitigation program. Other potential consequences include, among other things:

- restrictions on the marketing or manufacturing of our drug candidates, withdrawal of the drug candidate from the market, or voluntary or mandatory product recalls;
- fines, untitled or warning letters, or holds on clinical trials;
- refusal by the CDSCO, the US FDA, the UK MHRA, the EMA or a comparable regulatory authority to approve pending applications or supplements to approved applications filed by us or suspension or revocation of licence approvals;
- product seizure or detention, or refusal to permit the import or export of our drug candidates; and
- injunctions or the imposition of civil or criminal penalties.

***8. If our products cause, or are perceived to cause, severe side effects, our revenues and profitability could be adversely affected.***

We manufacture and distribute pharmaceutical products across various acute therapeutic areas, such as pain management, cough, nutrition, steroids, anti-infective and acute dermatology, and chronic therapeutic areas, such as diabetes, nephrology, neuropsychiatry, chronic pain and chronic dermatology. Such products may cause severe side effects as a result of a number of factors, many of which are outside of our control. These factors include, potential side effects not revealed in clinical testing, unusual but severe side effects in isolated cases, defective products not detected by our quality management system, or misuse of our products by end-users. Our products may also be perceived to cause severe side effects when a conclusive determination as to the cause of the severe side effects is not obtained or is unobtainable.

In addition, our products may be perceived to cause severe side effects if other pharmaceutical companies' products containing the same or similar active pharmaceutical ingredients, raw materials or delivery technologies as our products cause or are perceived to have caused severe side effects, or if one or more regulators, such as the CDSCO, the US FDA, the MHRA, the EMA, or an international institution, such as the World Health Organization, determines that products containing the same or similar pharmaceutical ingredients as our products could cause or lead to severe side effects.

If our products cause, or are perceived to cause, severe side effects, we may face a number of consequences, including:

- injury or death of patients;
- a severe decrease in the demand for, and sales of, the relevant products;
- the recall or withdrawal of the relevant products;
- removal of regulatory approvals for the relevant products or the relevant production facilities;
- damage to the brand name of our products and the reputation of the Company; and
- exposure to lawsuits relating to the relevant products.

As a result, our revenue and profitability could be adversely affected. Further, in the event that our products are found to be defective, adulterated or sub-standard in quality, we may also be subject to actions by regulatory authorities and criminal

proceedings initiated by drug inspectors or other third parties. For details in relation to such outstanding actions and proceedings, see *"Legal Proceedings"* on page 261.

***9. Some of our manufacturing facilities are currently non-operational or underutilised. If we are unable to increase our productive capacity utilisation, it may adversely impact our business, our plant & machinery assets and our financial condition.***

As on the date of this Preliminary Placement Document, we have 12 manufacturing facilities, nine of which are located in India and one each in the United Kingdom, Ireland and the United Arab Emirates, and which have been built to comply with UK MHRA and EMEA standards, as applicable. Our Wockhardt Biotech Park in Chhatrapati Sambhajinagar, India, has dedicated manufacturing units for APIs, biosimilars, our diabetes portfolio as well as recombinant formulations.

Some of our manufacturing facilities in India, including L-1, Chikalthana and Jagraon as well as our manufacturing facility in South Dubai, UAE are currently non-operational. Further, except for our Biotech API facility and injectables (F2) facilities in EOU Waluj, Kadaiya (Daman), all our operational manufacturing facilities in India have less than 50% of its capacity being utilised as of June 30, 2024 due to several reasons including regulatory alert by US FDA. The investment in these plants had been made by our Company considering the market feasibility and the potential of existing/ future products in pipeline. We cannot assure you if there may be significant delay and which would in turn adversely impact our ability to utilise the aforementioned manufacturing facilities. The lower utilisation of capacity in our manufacturing facilities have adversely impacted our plant, equipment, machinery and the capital work in progress as these are not being used for alternate purposes. The investment in these plants had been made considering the market feasibility and the potential of existing/ future products in pipeline. Our Company is evaluating the utilisation of one or more of the aforementioned facilities towards alternate business opportunities and future product pipeline. In the event our manufacturing facilities continue to be underutilised, we may not be able to capture the expected growth in demand for our existing products, or to successfully commercialise additional products, each of which could adversely affect our business prospects. Further, underutilisation of our manufacturing facilities may also lead to erosion of value of our assets including plant and machinery within the plant as well as adversely impact our ability to generate revenue from our existing manufacturing facilities in the future.

***10. Our Company and Subsidiaries are or may be involved in certain legal proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, financial condition, cash flows and results of operations.***

There are outstanding legal proceedings involving our Company and Subsidiaries in the nature of criminal, civil, tax and regulatory and statutory proceedings, which are pending at different levels of adjudication before various courts, tribunals and other authorities. Such proceedings could divert the management's time and attention and consume financial resources in their defence or prosecution. The amounts claimed in these proceedings have been disclosed to the extent that such amounts are ascertainable and quantifiable and include amounts claimed jointly and severally, as applicable. Any unfavourable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our reputation, business, financial condition and results of operations.

We cannot assure you that any of these on-going matters will be settled in favour of our Company or Subsidiaries, respectively, or that no additional liability will arise out of these proceedings. Further, we cannot assure you that there will be no new legal and regulatory proceedings involving our Company and Subsidiaries in the future. An adverse outcome in any such proceedings may have an adverse effect on our business, financial position, prospects, results of operations and our reputation.

For further details, please see "*Legal Proceedings*" on page 261.

***11. If our products are not produced to the necessary quality standards, it could harm our business and reputation, and our revenues and profitability could be adversely affected.***

Our products and manufacturing processes are required to meet certain quality standards. Despite our quality control system and procedures, and the skills and diligence of our quality control personnel, we cannot completely eliminate the risk of errors, defects or failure. Quality defects may fail to be detected or cured as a result of a number of factors, many of which are outside our control, including:

- incidence of manufacturing errors;
- technical or mechanical malfunctions in the manufacture process; and
- human error or malfeasance by our quality control personnel or tampering by third parties.

Moreover, we currently subcontract some of our products and may in the future subcontract a greater portion of our production to meet market demands. Despite our guidelines and agreements with subcontractors, they may fail to meet the necessary quality standards and we may fail to prevent the products from being delivered to end-users.

Failure to detect quality defects in our pharmaceutical products or to prevent such defective products from being delivered to end-users could result in patient injury or death, product recalls or withdrawals, license revocation or regulatory fines, or other problems that could seriously harm our reputation and business, expose us to liability, and adversely affect our revenues and profitability.

12. ***We have significant working capital requirements. If we experience insufficient cash flows to fund our working capital requirements or if we are not able to source additional financing in sufficient quantities, there may be an adverse effect on our business, cash flows and results of operations.***

Our business requires significant working capital including in connection with our manufacturing operations and our development of new products. Our future capital requirements may be affected as a result of, among other factors, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, technological changes, additional market developments and new opportunities in the pharmaceutical industry. While there have been no instances of time or cost overruns in the past, we cannot assure you that occurrence of such overruns in the future will not have a negative impact on our business operations.

We have historically met our working capital requirements through debt, including funds infused by our Promoters and internal accruals. Our total borrowings as of March 31, 2024 were ₹ 2,112 crores, which included loans from related parties amounting to ₹ 1,107 crores. Our sources of additional financing, where required to meet our working capital needs, may include the incurrence of incremental debt, the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, which may have a significant effect on our profitability and cash flows. We may also become subject to additional covenants, which could limit our ability to access cash flows from operations and undertake certain types of transactions. In addition, to the extent we receive credit ratings in respect of any of our future borrowings, any subsequent downgrade in those credit ratings may increase interest rates for our future borrowings, which would increase our cost of borrowings and adversely affect our ability to borrow on a competitive basis. Any issuance of equity, on the other hand, would result in a dilution of the shareholding of existing shareholders.

In many cases, a significant amount of our working capital is required to finance the purchase of raw materials and the development and manufacturing of products before payment is received from customers. We may face insufficient cash flow to meet our working capital requirements if there is delay in receiving payments or if the payment terms in our agreements include reduced advance payments or longer payment schedules. These factors may result in increases in the amount of our receivables and may result in increases in any future short-term borrowings. Continued increases in our working capital requirements may have an adverse effect on our results of operations, cash flows and financial condition.

13. ***If we encounter difficulties enrolling patients in our clinical trials, our clinical development activities could be delayed. Further, results of earlier clinical trials may not be predictive of results of later-stage clinical trials and our drug candidates may also cause undesirable side effects or have other properties that could delay or prevent their regulatory approval and materially harm our business and reputation. The patient pool for our drug candidates may be limited to those patients who are ineligible for or have failed prior treatments and may be small, and any failure to obtain sufficient pools for our drug candidates may adversely impact our R&D efforts, which could materially adversely affect our business, results of operations, financial condition and cash flows.***

The timely completion of clinical trials in accordance with their protocols depends, among other things, on our ability to enrol a sufficient number of patients who remain in the trial until its conclusion. We may experience difficulties in patient enrolment for our clinical trials for a variety of reasons, including:

- the size and nature of the patient population;
- the patient eligibility criteria defined in the protocol;
- the size of the study population required for the clinical trials;
- the proximity of patients to trial sites;
- the availability and capacity of the clinical trial sites;
- the design of the clinical trial;
- competing clinical trials for the same therapeutic areas, which reduce the number of patients available to us;

- our ability to obtain and maintain patient consents; and

- perceptions of doctors and patients as to the potential advantages and side effects of the drug candidate being studied in relation to other available therapies, including any new drugs or treatments that may be approved for the indications we are investigating in.

Even if we are able to enrol a sufficient number of patients in our clinical trials, delays in patient enrolment may result in increased costs or may affect the timing or outcome of our planned clinical trials and there is no assurance that the enrolled patients will complete clinical trials, which could materially and adversely affect our ability to advance the development of our drug candidates.

Further, the results of pre-clinical studies and early clinical trials of our drug candidates may not be predictive of the results of later-stage clinical trials. For example, six of our anti-bacterial NCEs, namely, Zaynich (WCK 5222), Miqnaf (Nafithromycin), EMROK (WCK 771), EMROK O (WCK 2349), Foviscu (WCK 4282) and Odrate (WCK 6777), have been granted the Qualified Infectious Disease Product ("**QIDP**") status by the US FDA, which provides for fast track clinical development process and priority review, coupled with a 5 year extension to market exclusivity (*CRISIL Report*). There can be no assurance that our clinical trials will be completed within the prescribed time periods or at all. Further, drug candidates in later stages of clinical trials may fail to show the desired safety and efficacy despite having progressed through pre-clinical studies and initial clinical trials. For further details please see, *Our Business- Novel Antibiotics Pipeline* on page 197 of this Preliminary Placement Document, Future clinical trial results may not be favourable for these and other reasons. In some instances, there can be significant variability in safety and/or efficacy results between different trials of the same drug candidate due to numerous factors, including changes in trial procedures set forth in protocols, differences in the size and type of the patient populations, patient adherence to the dosing regimen and other trial protocols and the rate of dropout among clinical trial participants. Results of our clinical trials could reveal a high and unacceptable severity or prevalence of adverse events. In such an event, our trials could be delayed, suspended or terminated, and the CDSCO, the US FDA, the MHRA, the EMA or other comparable regulatory authorities could order us to cease further development of, or deny approval of, our drug candidates for any or all targeted indications. The drug-related side effects could lead to a number of negative consequences, including withdrawal of clinical trial participants; the inability to continue clinical trials; the inability to continue clinical trials; and reputational damage, among others.

The projections of both the number of people who have the conditions we are targeting through our drug candidates, as well as the subset of people with these conditions in a position to receive later stage therapy and who have the potential to benefit from treatment with our drug candidates, are based on certain assumptions and estimates. These estimates have been derived from a variety of sources and may prove to be incorrect. Further, new studies may change the estimated incidence or prevalence of these conditions. The number of patients may turn out to be lower than expected. Additionally, the potentially addressable patient population for our drug candidates may be limited or may not be amenable to treatment with our drug candidates. Even if we obtain significant market share for our drug candidates, because the potential target populations are small, we may never achieve profitability without obtaining regulatory approval for additional indications.

***14. We have certain contingent liabilities, which if they materialize, may adversely affect our results of operations, financial condition and cash flows.***

The following table sets forth the principal components of our contingent liabilities as of March 31, 2024:

| Particulars | As of March 31, 2024 (₹ in crores) |
|---|---|
| Income taxes | 546 |
| Indirect taxes | 191 |
| Claims not acknowledge as debts | 138 |
| The Company along with its subsidiaries (the "Group") is involved in other disputes, lawsuits, claims, inquiries, and proceedings including commercial matters that arise from time to time in the ordinary course of business. The Group believes that there are no such pending matters that are expected to have any material adverse effect on its financial statements in any given accounting period. One of the subsidiary in the USA has been a party in some class action suits for pricing by the Government and other private parties, against various pharmaceutical companies, wholesalers, etc. The amount is not quantifiable at this stage. Based on the view of the external legal counsel, the Group believes that while it is premature to predict the outcome of the litigation, the Group has meritorious defenses and will be defending its actions vigorously. | Not quantifiable |

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations. Further, we are involved in other disputes, lawsuits, claims, inquiries and proceedings including commercial matters that arise from time to time in the ordinary course of business. One of our Subsidiary, in USA is involved in a class action suit and the amount involved in the matter is currently not quantifiable.

If a significant portion of our contingent liabilities materialise, it could have an adverse effect on our results for operations, financial condition and cash flows. For details see *"Financial Information"* on page 273.

15. ***2,68,28,250 Equity Shares held by our Promoter aggregating to 17.49% of the total share capital of our Company have been pledged. A breach of the terms of the pledge arrangements by our Promoter, may result in the exercise of pledge by the lenders and the consequent reduction of the shareholding of our Promoter in our Company which may result in our Promoter no longer being the largest shareholder of our Company.***

As on September 30, 2024, Themisto Trustee Company Private Limited as a trustee of one of the partners of our Promoter, Humuza Consultants, had pledged 2,68,28,250 Equity Shares in our Company aggregating to 17.49% of our total share capital. Any default in the pledge arrangement or financing arrangement pursuant to which these securities have been pledged will entitle the respective lenders to enforce the pledge over these securities. If these pledges are enforced, the shareholding of our Promoter in our Company may be reduced and we may face certain impediments in taking decisions and such lenders shall be entitled to attend the general meetings of our Company and exercise voting rights in respect of such pledged shares. Such reduction in our Promoter shareholding may also adversely impact the control exercised by our Promoters on our Company. If the pledge shares are exercised by the lenders, then we may not be able to conduct our business or current strategies as currently planned, which may adversely affect our business and cash flows.

16. ***If we are subject to product liability claims, it could expose us to costs and liabilities and adversely affect our reputation, revenues and profitability.***

We are exposed to risks associated with product liability claims as a result of developing, producing, marketing and selling pharmaceutical products in the jurisdictions in which our pharmaceutical products are marketed and sold. Such claims may arise if any of our products are deemed or proven to be unsafe, ineffective, defective or contaminated or when we are alleged to have engaged in practices such as improper filling of prescriptions, insufficient or improper labelling of products, provided inadequate warnings or insufficient or misleading disclosures of side effects, or unintentionally distributed counterfeit products. Some of our manufacturing facilities have received warning letters from US FDA for non-compliance with CGMP.

There can be no assurances that we will not become subject to product liabilities claims or that we will be able to successfully defend ourselves against any such claims. Regardless of the merits or eventual outcome, product liability claims may lead to the following adverse consequences, including:

- regulatory authorities may suspend or withdraw approvals of the drug;
- regulatory authorities may require additional warnings on the label;
- we may be required to develop a risk evaluation and mitigation measures for the drug or, if a risk evaluation and mitigation measures is already in place, to incorporate additional requirements under the risk evaluation and mitigation measures, or to develop a similar strategy as required by the relevant regulatory authority;
- we may be required to conduct post-market studies;
- there may be significant negative media attention and reputational damage;
- we may incur significant costs to defend related litigations;
- we may be required to conduct product recalls;
- our management's time and our resources may be diverted;
- we may incur a loss of revenue; and
- we may experience a lower circuit.

If we are unable to defend ourselves against such claims, among other things, we may be subject to civil liability for physical injury, death or other losses caused by our products and to criminal liability and the revocation of our business licenses if our products are found to be defective. In addition, we may be required to recall the relevant products, suspend sales or cease sales. Certain jurisdictions in which our products are, or may in the future be, sold, in particular in more developed markets including the United States, may have onerous product liability and pharmaceutical product regulatory regimes, as well as litigious environments which may further expose us to the risk of product liability claims. While we maintain product liability insurance to cover any amount of damages that may arise from product liability claims, there is no guarantee that such insurance coverage will be sufficient to meet any damages incurred. Even if we are able to successfully defend ourselves against any such product liability claims, doing so may require significant financial resources

and the time and attention of our management. Moreover, the allegation that our pharmaceutical products are harmful, whether or not ultimately proven, may adversely affect our reputation and sales volumes.

***17. Our Registered Office, Corporate Office and most of our manufacturing and research and development facilities are located on leased premises. Our inability to seek renewals or extensions of such leases may adversely affect our business operations.***

Our Registered Office in Chhatrapati Sambhajinagar, Maharashtra, our Corporate Office in Mumbai, Maharashtra and all of our manufacturing facilities in India, except for our facilities in Jagraon, Punjab and Kadiya, Daman, are located on leased premises. Further, our office and manufacturing facility in Dubai, United Arab Emirates is also located on leased premises. We have entered into lease agreements with the Maharashtra Industrial Development Corporation ("**MIDC**") for a term of 95 years from March 1, 1974 in relation to the premises on which our Registered Office is located. We have also entered into a leave and license agreement with Carol Info Services Limited for the use of our Corporate Office for a term of five years until March 31, 2027.

While there are currently no instances of non-compliance of the terms of our lease agreements, there can be no assurance that there will be no such non-compliance leading to termination of such leases in the future. Any change in the terms and conditions of the lease agreements and any premature termination of such lease agreements may have an adverse impact on our business operations. Any adverse impact on the title and ownership rights of the owners from whose premises we operate, breach of the contractual terms of any lease deeds, or any inability to renew such agreements on acceptable terms may also affect our business operations. In addition, the terms of the lease agreements for some of our manufacturing facilities may require us to obtain the lessor's prior consent for certain actions, including making structural alterations to the leased premises, which may be required if we were to undertake an expansion in the future.

There can be no assurance that we will be able to renew these leasing arrangements at commercially favourable terms, or at all. If we are unable to renew all or any of our leasing arrangements, it may cause disruptions in our business and we may incur substantial costs associated with shifting to new premises, all of which may adversely affect our business operations.

***18. A substantial disruption to any of our production facilities may have an adverse impact on our business operations and cash flows.***

As on the date of this Preliminary Placement Document, we have 12 manufacturing facilities, which are located in India, the United Kingdom, Ireland and the United Arab Emirates. The continued operation of our production facilities can be substantially interrupted due to a number of factors, many of which are outside of our control, including power outages, fuel shortages, mechanical breakdowns, terrorist attacks and wars, political instability, natural disasters, epidemics, disputes within the workforce as well as changes in the policies of central or local governments could require us to incur significant capital expenditure and change our business strategy.

If the operation of any of our facilities is substantially disrupted, we may not be able to replace the equipment or inventories at such facility or use a different facility or a third-party contractor to continue our production in a legal, timely and cost-effective manner or at all. Although we maintain property insurance and business interruption insurance for our production facilities and equipment, the amount of our insurance coverage may not be sufficient to cover our losses in such a disruption event. As a result of disruption to any of our facilities, we may all fail to fulfil contract obligations or meet market demand, and our business, revenues and profitability could be adversely affected.

***19. If our competitors successfully market effective substitutes for any of our pharmaceutical products, or we experience increased competition in pharmaceutical market generally, it could adversely affect our revenue and profitability.***

Our products primarily compete with products that are indicated for similar conditions as our products on the basis of efficacy, price and general market acceptance by doctors and hospitals. Our competitors may be able to successfully develop or market effective substitutes for our products for a number of reasons, including:

- patents for our products principally relate to their delivery systems, compositions, preparation methods or production processes, and do not cover the underlying active pharmaceutical ingredients. Therefore, our competitors may develop substitute products utilising the same active pharmaceutical ingredients by formulating their products with different delivery technologies;

- some of our key products have been in the market for many years, which makes these products susceptible to substitute products that are more clinically or cost effective as a result of technological developments, changes in treatment protocols and other medical advances that have occurred subsequent to the initial development of our products;

- our products typically target conditions that are in high demand for medical treatment and, as a result, our domestic and overseas competitors, some of whom may have greater financial and research and development resources than us, may elect to focus these resources on developing, importing or in-licensing and marketing products in the jurisdictions

in which we operate that are substitutes for our products and may have broader sales and marketing infrastructures with which to do so; and

- many of our competitors have more extensive sales and marketing resources than us, which enables them to have better access to hospitals and medical institutions in order to gain market acceptance for their substitute products.

To the extent that our competitors' substitute products are, or are perceived to be, more clinically or cost effective, or otherwise gain wider market acceptance than any of our pharmaceutical products, it could adversely affect our sales volumes and pricing levels for the relevant products. Moreover, we may be adversely affected by increased competition in the pharmaceutical industry generally. We may face increased competition from overseas pharmaceutical companies that are seeking to initially access or further penetrate the jurisdictions in which we operate. If pharmaceutical products manufactured overseas are perceived to be more favourable than products manufactured domestically in India, it could erode our market share. In the event that we experience adverse effects on our sales volumes or pricing levels as a result of competition from substitute products, or loss of market share due to increased competition from domestic or overseas pharmaceutical companies, it could adversely affect our revenue and profitability.

In addition, many of the companies against which we are competing or against which we may compete in the future have significantly greater financial resources and expertise in research and development, manufacturing, pre-clinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved drugs than we do. Mergers and acquisitions may result in even more resources being concentrated among a smaller number of our competitors. Smaller and other early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These third parties compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient enrolment for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programmes.

***20. Our drug candidates may fail to achieve the degree of market acceptance by physicians, patients, third-party payers and others in the medical community necessary for commercial success.***

If we receive regulatory approvals for our drug candidates, they may nonetheless fail to gain sufficient market acceptance by doctors, hospitals, patients and others in the medical community. Doctors and patients may prefer alternative therapies to ours. If our drug candidates do not achieve an adequate level of acceptance, we may not generate significant revenue from sales of our drug candidates and we may not become profitable. The degree of market acceptance of our drug candidates, if approved for commercial sale, will depend on a number of factors, including:

- the clinical indications for which our drug candidates are approved;
- the views of doctors, hospitals and patients on the safety and efficacy of our drug candidates;
- the potential and perceived advantages of our drug candidates over alternative therapies;
- the prevalence and severity of any side effects;
- the timing of market introduction of our drug candidates as well as competitive therapies;
- the affordability of our drug candidates and the cost of treatment in relation to alternative therapies;
- the availability of adequate coverage and reimbursement under the reimbursement programmes by third-party payers and government authorities;
- the willingness of patients to pay out-of-pocket in the absence of coverage and reimbursement by third-party payers and government authorities;
- relative convenience and ease of administration, including as compared to alternative therapies and competitive therapies; and
- the effectiveness of our sales and marketing efforts.

If our drug candidates are approved but fail to achieve market acceptance among doctors, patients, hospitals or others in the medical community, we will not be able to generate significant revenue. Even if our drugs achieve market acceptance, we may not be able to maintain that market acceptance over time if new products or technologies are introduced that are more favourably received than our drugs, are more cost effective or render our drugs obsolete.

21. ***If we fail to keep pace with evolving technological standards in the pharmaceutical industry, create new products or intellectual property, or respond to changes in market demand or customer requirements, our business and financial results could be adversely affected.***

Rapid advancements in technology through research and development are characteristic of the pharmaceutical industry. These advancements result in the frequent introduction of new products and significant price competition. To meet our customers' needs as well as keep pace with our competitors, we regularly update existing technology and develop new technology for our pharmaceutical manufacturing activities. We manufacture and distribute pharmaceutical products across acute therapeutic areas, such as pain management, cough, nutrition, steroids, anti-infective and acute dermatology, and chronic therapeutic areas, such as diabetes, nephrology, neuropsychiatry, chronic pain and chronic dermatology, as well as different drug delivery forms, including solids, injectables, biotechnology, liquids, nasal sprays and complex technologies. However, such advancements as well as market demand changes can often render existing technologies and equipment obsolete, requiring substantial new capital investments. While we strive to ensure our facilities comply with the latest international standards, the technologies, facilities and machinery we currently employ may become obsolete. The cost of implementing new technologies and upgrading our manufacturing facilities could be significant and higher than anticipated and could adversely affect our business, prospects, cash flows, results of operations and financial condition. In addition, when we develop a new product or an advanced version of an existing product, we may encounter obstacles that may delay development and consequently, increase our expenses.

The commercial success of the products and technologies we develop will depend upon the acceptance of these products by customers and competition in the market. It is difficult for us to predict whether recently introduced products, or the products that we are currently developing, will be commercially successful. If our new products or enhancements do not achieve adequate acceptance in the market, this may ultimately force us to abandon a potential product in which we have already invested substantial time and resources, and our competitive position will be impaired, our revenue will be diminished and the effect on our operating results may be particularly acute because of the significant research, development, marketing, sales and other expenses we will have incurred in connection with the new product or enhancement.

22. ***We rely on a limited number of suppliers for our raw materials and active pharmaceutical ingredients. If any of such suppliers fails to continue to supply us with raw materials at commercially acceptable prices, our sales volumes and margins for the relevant product could be adversely affected.***

We import various raw materials including APIs that are not produced in-house by us, intermediates, primary packaging materials and secondary packaging materials directly from our international suppliers. We rely on a limited number of suppliers for the raw materials and active pharmaceutical ingredients necessary for our production of pharmaceutical products. For further details please see, *Our Business- Raw Materials including purchase of stock in trade* on page 204. The contribution of our top 10 Indian suppliers in Fiscal 2022, 2023, 2024 and the three months ended June 30, 2023 and June 30, 2024 was 56%, 60%, 65%, 66% and 56% of our total purchases in India for the respective financial periods. The contribution of our top 10 suppliers outside India in Fiscal 2022, 2023, 2024 and the three months ended June 30, 2023 and June 30, 2024 was 33%, 47%, 47%, 58% and 49% of our total international location purchases for the respective financial periods.

We cannot assure you that our suppliers will continue to sell products to us on commercially acceptable terms, or at all. We also cannot assure you that we will be able to establish new supplier relationships or renew our agreements with our existing suppliers when they expire.

Moreover, we are exposed to the risk of inadequate supplies of raw materials and active pharmaceutical ingredients, as well as price increases. The availability and prices of raw materials and active pharmaceutical ingredients required for our production of pharmaceutical products may be impacted by factors such as general market conditions, weather conditions and the occurrence of natural disasters, many of which are outside of our control. In the event that any of our suppliers fails to continue to supply us with adequate quantities of raw materials at commercially reasonable prices, we may not be able to procure raw materials and active pharmaceutical ingredients from other sources in similar commercial terms.

In addition, certain of our raw materials are imported from overseas, and we may fail to obtain permits and licences required for importation or there may be restrictions imposed on the import of our raw materials from one or more countries where our suppliers are located. We may also be unable to respond to increases in the prices for raw materials and active pharmaceutical ingredients due to our reliance on a limited number of suppliers or for other reasons, and unable to pass on such price increases to our customers due to governmental price controls for pharmaceutical products in India or competitive conditions for our products. In the event of any disruption to our supply of the raw materials and active pharmaceutical ingredients necessary for our production of pharmaceutical products at commercially acceptable prices, we may be forced to reduce, suspend or cease production or sale of certain of our pharmaceutical products, and our sales volumes for the relevant product could be adversely affected, or we may not be able to meet market demand or maintain our sales volumes and the margins for the relevant product could be adversely affected.

***23. Increasing scrutiny and changing expectations from customers, regulators, investors, and other stakeholders with respect to our environmental, social and governance practices may impose additional costs on us or expose us to new or additional risks, which could materially adversely affect our business, results of operations, financial condition and cash flows.***

Companies are facing increasing scrutiny from customers, regulators, investors, and other stakeholders related to their environmental, social and governance ("**ESG**") practices. Investor advocacy groups, investment funds and influential investors are also increasingly focused on these practices, especially as they relate to the environment, health and safety, supply chain management, diversity and human rights.

We are subject to various laws and regulations concerning, among other things, the environment, climate change, regulation of chemicals, employee safety and product safety. These requirements include regulation of the handling, manufacture, transportation, storage, use and disposal of materials, including the discharge of regulated materials and pollutants into the environment.

In the normal course of our business, our operations are also exposed to regulatory changes or risks relating to increased severity of extreme weather events, such as cyclones and floods. Failure to comply with regulatory requirements or adapt to such severe events, or to maintain investor or stakeholder ESG expectations and standards, may negatively impact our reputation or harm our business.

***24. If we fail to maintain an effective distribution network for our pharmaceutical products, our business could be adversely affected.***

We market and distribute our products in several countries, either directly through our Subsidiaries or indirectly, through supply, distribution and other arrangements with various global companies and local distributors. As of June 30, 2024, we had more than 1,550 distributors across India and emerging markets. Our ability to maintain and grow our business will depend on us continuing to maintain and manage a distribution network that timely delivers our products in all the jurisdictions where we generate market demand through our sales and marketing activity, or otherwise. However, our distributors are third parties over whom we have limited control, who may not distribute our pharmaceutical products in the manner we contemplate and impair the effectiveness of our distribution network.

We offer various post sales discounts in the form of chargebacks and rebates to our distributors and may have to increase such chargebacks and rebates offered on our products' prices to maintain our relationship with our distributors which may adversely impact our revenue and our profit margin. Further, there may be disputes or disagreement between our distributors and us on the computation of chargebacks and rebates payable to the distributors which may adversely impact our relationship with such distributors. Our distributors might elect to terminate their business relationships with us for various reasons, including if price controls or other factors limit the margins they can obtain through the resale of our pharmaceutical product to hospitals, medical institutions and sub -distributors. In the event that a significant number of our distributors terminate their relationships, or we otherwise unable to maintain and expand our distribution network effectively, our sales volumes and business prospects could be adversely effected.

***25. Any failure to protect our intellectual property could harm our business, results of operations and financial condition. Further, if we are unable to obtain and maintain patent protection with respect to our compounds or drug candidates, our competitors could develop and commercialise drugs similar or identical to ours, and our ability to successfully commercialise our drug candidates may be adversely affected.***

Our research and development efforts have resulted in 3,265 patents filed and 842 patents held worldwide as of June 30, 2024. While we take necessary steps to protect our intellectual property and proprietary rights over our products, particularly our patents, we cannot assure you that these will always be adequate to prevent third parties from using any of our intellectual property without authorization or infringing on our rights. Policing unauthorised use of proprietary technology is difficult and expensive, and we may need to resort to litigation to enforce or defend patents issued to us or to determine the enforceability, scope and validity of our proprietary rights or those of others. An adverse determination in any such litigation could materially impair our intellectual property rights and may harm our business, prospects and reputation.

Our success depends in part on our ability to obtain and maintain patent protection in India, the United States, the United Kingdom, the European Union and other countries with respect to our compounds and drug candidates. We have sought to protect our proprietary position by filing patent applications in these regions, however, the patent filing and approval process is expensive and time-consuming, and we may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. We may not be the first to file patent applications covering our invention and it is also possible that we will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection, which may result in others being able to make compounds similar to our drug candidates that are not covered by the patents we own. The patent position of biotechnology and pharmaceutical companies is generally highly uncertain, involves complex legal and factual questions and has in recent years been the subject of litigation.

Our name and trademarks are significant to our business and operations. The use of our brand name or logo by third parties could adversely affect our reputation, which could in turn adversely affect our financial performance and the market price of the Equity Shares. Further, we cannot assure you that the trademark, name or logo will not be adversely affected in the future by events such as actions that are beyond our control, including action or inaction of entities using the trademark, name or logo, regulatory actions against such companies or adverse publicity from any other source. Any damage to this trademark, name or logo, if not immediately and sufficiently remedied, could have an adverse effect on our financial condition, cash flows and results of operations. Our current and future trademarks are subject to expiration, and we cannot guarantee that we will be able to renew all of them prior to expiration. Our inability to renew registration of certain trademarks and loss of such trademarks could have an adverse effect on our business, results of operations, financial condition and cash flows.

We may fail to apply for or obtain adequate intellectual property protection in all the jurisdictions in which we operate and our competitors might conduct research and development in countries where we do not have patent rights to develop competitive drugs for commercialisation in our major markets. Our pending and future patent applications may not result in patents being issued which protect our compounds or drug candidates or which effectively prevent others from commercialising competitive compounds or drug candidates. Changes in either the patent laws or interpretation of the patent laws in India, the United States, the United Kingdom, the European Union and other countries may diminish the value of our patents or narrow the scope of our patent protection. An adverse determination in any such proceeding could reduce the scope of, or invalidate, our patent rights, allow third parties to commercialise our compounds or drug candidates and compete directly with us, or result in our inability to manufacture or commercialise drug candidates without infringing third party patent rights.

There can be no assurance that our pending patent applications will result in issued patents. Even if we receive issued patents for these applications, they may not be issued in a form that will provide us with any meaningful protection, prevent competitors from competing with us or otherwise provide us with any competitive advantage. Our competitors may be able to circumvent our patents by developing similar or alternative compounds or drug candidates or by duplicating our technologies in a non-infringing manner. The issuance of a patent is not conclusive as to its scope, validity or enforceability, and our owned and licenced patents may be challenged in the courts or other authorities. Such challenges may result in patent claims being narrowed, invalidated or held unenforceable, which could limit our ability to stop or prevent us from stopping others from using or commercialising similar or identical compounds and drug candidates, or limit the duration of the patent protection of our compounds and drug candidates.

The terms of patents are finite. The patents we own generally have a 20-year protection period starting from such patents' earliest filing date. Given the amount of time required for the development, testing and regulatory review of new drug candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialised. Further, patents for certain compounds may also expire many years before we receive NDA approval for drugs containing such compounds. As a result, our patent portfolio may not provide us with sufficient rights to exclude others from commercialising drug candidates similar or identical to ours.

Further, the laws of other jurisdictions may not protect our rights to the same extent as the laws of India, the United States, the United Kingdom or the European Union. Consequently, we may not be able to prevent third parties from practicing our inventions in such countries or from selling or importing products made using our inventions in and into India, the United States, the United Kingdom, the European Union or other jurisdictions. These drugs may compete with our drug candidates, and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing. Furthermore, many countries have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties and the enforceability of patents against government agencies or government contractors may be limited. In these countries, the patent owner may have limited remedies, which could materially diminish the value of such patent. If we or any of our licensors are forced to grant a license to third parties with respect to any patents related to our business, our business, financial condition, results of operations and prospects may be adversely affected.

***26. We may become involved in lawsuits to protect or enforce our intellectual property, which could be expensive, time consuming and unsuccessful. Our patent rights relating to compounds and drug candidates could be found invalid or unenforceable if challenged in court.***

Competitors may infringe our patent rights or misappropriate or otherwise violate our intellectual property rights. To counter infringement or unauthorised use, litigation may be necessary to enforce or defend our intellectual property rights or to determine the validity and scope of our own intellectual property rights or the proprietary rights of others. This can be expensive and time consuming. Any claims that we assert against perceived infringers could also provoke these parties to assert counterclaims against us alleging that we infringe their intellectual property rights. Many of our current and potential competitors have the ability to dedicate substantially greater resources to enforce and/or defend their intellectual property rights than we can. Further, if our products are found to be inadvertently infringing on the intellectual property rights of a third party, we may also be subject to such litigation for patent infringement.

The outcome of any such proceeding is generally unpredictable. Grounds for a validity challenge could be, among other things, an alleged failure to meet any of several statutory requirements, including lack of novelty, obviousness, lack of written description or non-enablement. Grounds for an unenforceability assertion could be, among other things, an allegation that someone connected with prosecution of the patent withheld relevant information or made a misleading statement during prosecution. An adverse result in any litigation proceeding could put our patent, as well as any patents that may issue in the future from our pending patent applications, at risk of being invalidated, held unenforceable or interpreted narrowly. Even if we are successful in defending against such challenges, litigation could result in substantial costs and diversion of management resources, which could harm our business and financial results. We do not maintain insurance to cover intellectual property infringement, misappropriation or violation. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation.

***27. Our Erstwhile Statutory Auditors have included certain remarks in connection with the Companies (Auditor's Report) Order, 2020 and Rule 11(g) in their audit reports on the audited standalone financial statements for Fiscals 2024, 2023, 2022, 2021 and 2020.***

Our Erstwhile Statutory Auditors have included the following remarks in connection with the Companies (Auditor's Report) Order, 2020 and Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 in their audit reports on the audited standalone financial statements for Fiscals 2024, 2023, 2022, 2021 and 2020:

<table>
<tr><th>Various clauses of Report/CARO</th><th>Extract of Standalone Audit Report for the year ended March 31, 2024, issued by the Statutory Auditor of the Company</th><th>Impact on the Financial Statements and Financial Position of the Company</th><th>Corrective steps taken or proposed to be taken by the Company</th></tr>
<tr><td>Para 2(B)(f) of Report on Other Legal and Regulatory Requirements in the main audit report on the standalone and consolidated financial statements</td><td>Audit report on the standalone financial statements:<br><br>Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software, except that the audit trail was not enabled at the database level to log any direct data changes for such accounting software used for maintaining the books of account. Further, where audit trail (edit log) facility was enabled and operated throughout the year for the accounting software, we did not come across any instance of the audit trail feature being tampered with.<br><br>Audit report on the consolidated financial statements:<br><br>Based on our examination which included test checks and that performed by the respective auditors of the 3 subsidiary companies incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the Holding Company and its subsidiary companies have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.<br><br>– In respect of the Holding Company, the accounting software used for its consolidation procedure did not have a feature of recording audit trail (edit log) facility and the same was not operated throughout the year for all relevant transactions recorded in the software.<br><br>– In case of the Holding Company and two subsidiaries, the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining the books of account.<br><br>Further, where audit trail (edit log) was enabled and operated throughout the year, we and respective auditors of such subsidiary companies did not come across any instance of audit trail feature being tampered with.</td><td>No impact on the financials statement and financial position of the company</td><td>We are on the verge on implementing new software equipped with all relevant record and audit trail.</td></tr>
<tr><td>Clause (i)(c)</td><td>(i) (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:<br><br><table><tr><th>Description of property</th><th>Gross carrying value</th><th>Held in the name of</th><th>Whether promoter, director or their relative or employee</th><th>Period held indicate range, where appropriate</th><th>Reason for not being held in the name of the Company</th></tr></table></td><td>Impact is the maximum up to the net carrying value of the assets in the books of accounts of the Company. However, the management believes that it is not likely to have any impact on the financial statements considering the nature of observations/remarks.</td><td>The Company is in the process of transferring the assets in the name of the Company.</td></tr>
</table>

<table>
<tr><th>Various clauses of Report/CARO</th><th>Extract of Standalone Audit Report for the year ended March 31, 2024, issued by the Statutory Auditor of the Company</th><th>Impact on the Financial Statements and Financial Position of the Company</th><th>Corrective steps taken or proposed to be taken by the Company</th></tr>
<tr><td></td><td>
<table>
<tr><td>Freehold Land</td><td>Rs.0.31 Crore</td><td>Mr. Habil Khorakiwala</td><td>Promoter and Director</td><td>19 Years</td><td>The Company is in the process of transferring the assets in the name of the Company.</td></tr>
</table>
</td><td></td><td></td></tr>
<tr><td>Clause (ii)(b)</td><td>
(ii) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except as follows:
<table>
<tr><th>Quarter</th><th>Name of bank</th><th>Particulars</th><th>Amount as per books of account</th><th>Amount as reported in the quarterly return/ statement</th><th>Amount of difference</th><th>Whether the return/ statement subsequently rectified</th></tr>
<tr><td>June 2023</td><td>- State Bank of India<br>- ICICI Bank Limited<br>- Punjab National Bank<br>- IDBI Bank Limited<br>- Bank of Baroda</td><td>Inventories</td><td>Rs.313.57 Crore</td><td>Rs.325.31 Crore</td><td>Rs. (11.74) Crore</td><td>No</td></tr>
<tr><td>September 2023</td><td>- State Bank of India<br>- ICICI Bank Limited<br>- Punjab National Bank<br>- IDBI Bank Limited<br>- Bank of Baroda</td><td>Trade Receivable (including Other Receivables)</td><td>Rs.529 Crore</td><td>Rs.548.33 Crore</td><td>Rs.(19.33) Crore</td><td>No</td></tr>
<tr><td>September 2023</td><td>- State Bank of India<br>- ICICI Bank Limited<br>- Punjab National Bank<br>- IDBI Bank Limited<br>- Bank of Baroda</td><td>Inventories</td><td>Rs.315.63 Crore</td><td>Rs.317.93 Crore</td><td>Rs.(2.30) Crore</td><td>No</td></tr>
<tr><td>December 2023</td><td>- State Bank of India<br>- ICICI Bank Limited<br>- Punjab National Bank<br>- IDBI Bank Limited<br>- Bank of Baroda</td><td>Trade Receivable (including Other Receivables)</td><td>Rs.576 Crore</td><td>Rs.562 Crore</td><td>Rs.14 Crore</td><td>No</td></tr>
<tr><td>March 2024</td><td>- State Bank of India<br>- ICICI Bank Limited<br>- Punjab National Bank<br>- IDBI Bank Limited</td><td>Trade Receivable (including Other Receivables)</td><td>Rs.585 Crore</td><td>Rs.566.32 Crore</td><td>Rs.18.68 Crore</td><td>No</td></tr>
</table>
</td><td>Nil</td><td>Differences were identified between the amount as per books of accounts and the amount as per the Statement submitted to the Lenders on account of submission of the Statement prior to the closing of the books of accounts as per the financial reporting closure process on a quarterly basis which were subject to review by the Statutory Auditors of the Company.</td></tr>
</table>

| Various clauses of Report/CARO | Extract of Standalone Audit Report for the year ended March 31, 2024, issued by the Statutory Auditor of the Company | | | | | | | Impact on the Financial Statements and Financial Position of the Company | Corrective steps taken or proposed to be taken by the Company |
|---|---|---|---|---|---|---|---|---|---|
| | | - Bank of Baroda | | | | | | | |
| | March 2024 | - State Bank of India<br>- ICICI Bank Limited<br>- Punjab National Bank<br>- IDBI Bank Limited<br>- Bank of Baroda | Inventories | Rs.306.36 Crore | Rs.312.63 Crore | Rs.(6.27) Crore | No | | |
| | March 2024 | - State Bank of India<br>- ICICI Bank Limited<br>- Punjab National Bank<br>- IDBI Bank Limited<br>- Bank of Baroda | Trade Payables | Rs.177.99 Crore | Rs.179.65 Crore | Rs.(1.66) Crore | No | | |
| Clause (xvii) | (xvii) The Company has incurred cash losses of Rs.185 Crores in the current financial year and Rs.46 Crores in the immediately preceding financial year. | | | | | | | Nil | No corrective steps are required to be taken considering the nature of remarks/observations. |

For further information, see, "*Financial Information*" beginning on page 273.

There can be no assurance that any similar remarks or other matters prescribed under the Companies (Auditor's Report) Order, 2020 or Companies (Audit and Auditors) Rules, 2014, will not form part of our financial statements for the future fiscal periods, which could subject us to additional liabilities due to which our reputation and financial condition may be adversely affected.

***28. If we are unable to maintain the confidentiality of our trade secrets, our business and future prospects will be harmed.***

In addition to the protection afforded by registered patents, we rely upon unpatented trade secret protection, unpatented know-how and continuing technological innovation to protect our research and development results. However, trade secrets and know-how can be difficult to protect. We also seek to protect our proprietary technology and processes, in part, by entering into confidentiality agreements with parties that have access to them, such as our employees, third party contract manufacturers, distributors and consultants. We cannot guarantee that we have entered into such agreements with each party that may have or have had access to our trade secrets or proprietary technology and processes. We may not be able to prevent the unauthorised disclosure or use of our technical know-how or other trade secrets by the parties to these agreements, however, despite the existence generally of confidentiality agreements and other contractual restrictions. If any of our employees, third party contract manufacturers, distributors or consultants who are parties to these agreements breaches or violates the terms of any of these agreements or otherwise discloses our proprietary information, we may not have adequate remedies for any such breach or violation, and we could lose our trade secrets as a result. Enforcing a claim that a third party illegally disclosed or misappropriated our trade secrets, including through intellectual property litigation or other proceedings, is difficult, expensive and time consuming, and the outcome is unpredictable. In addition, courts in China and other jurisdictions inside and outside the United States are less prepared, less willing or unwilling to protect trade secrets. Our trade secrets could otherwise become known or be independently discovered by our competitors or other third parties. For example, competitors could attempt to replicate some or all of the advantages we derive from our development efforts, wilfully infringe, misappropriate or otherwise violate our intellectual property rights, design around our intellectual property protecting such compound or develop their own compound that fall outside of our intellectual property rights. If any of our trade secrets were to be disclosed or independently developed by a competitor, we may have no right to prevent them, or others to whom they communicate it, from using that technology or information to compete against us, which may have a material adverse effect on our business, prospects, financial condition and results of operations.

***29. Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, results of operations, financial condition and cash flows.***

Our business depends on our estimate of the long term demand for our APIs and other products from our customers. As is typical in the pharmaceutical industry, we maintain a reasonable level of inventory of raw materials, work-in progress and finished goods. If we underestimate demand or have inadequate capacity due to which we are unable to meet the demand for our products, we may manufacture fewer quantities of products than required, which could result in the loss of business. While we forecast the demand for our products and accordingly plan our production volumes, any changes in estimates could result in surplus stock, which may not be sold in a timely manner. Our customers also have the right to return or reject the product in the event that the products do not conform to the quality standards set out under the agreements. Further, based on the products we manufacture, or the markets we serve, the purchase orders that our customers place with us may differ from quarter to quarter, which could cause our revenues, margins, profits, results of operations and cash flows to fluctuate. Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, results of operations, cash flows and financial condition.

***30. Our funding requirements and proposed deployment of the Net Proceeds have not been appraised. Further, any variation in the utilisation of the Net Proceeds would be at the discretion of our management and subject to certain compliance requirements, including prior Shareholders' approval.***

The funding requirements set out in the chapter '*Use of Proceeds*' at page 81 are based on internal management estimates of our Company and have not been appraised by any bank, financial institution or external agency.

The planned use of the Net Proceeds is based on current conditions and is subject to changes in *inter alia* market conditions, competitive environment, financial prospectus or factors beyond our control. In the event of such changes, our management will have discretion to revise funding requirements and deployment schedules of the Net Proceeds. We may make necessary changes to utilisation of Net Proceeds in compliance with the provisions of the Companies Act, 2013 and applicable law. In the event of any variation in actual utilization of the Net Proceeds, any increased fund deployment for a particular activity may be met from funds earmarked from any other activity and/or from our internal accruals. Further, any variation in the planned use of the Net Proceeds may also require prior Shareholders' approval and may involve considerable time or cost overrun if we are not able to obtain such approval in a timely manner, which may adversely affect our business or operations.

***31. We are dependent on our Promoters and members of our Promoter Group for financing certain areas of our operations, including our research and development program. If we are unable to get such financing from our Promoters in the future, it may have a material adverse impact on our research and development and in turn on our business performance and results of operations.***

We are dependent on our Promoters for setting our strategic business direction and managing our business. In addition, we depend on our Promoters and members of our Promoter Group for infusing funds in our Company to carry out our research program, which have been by way of unsecured loans. As on March 31, 2024, our Company has availed an unsecured loan facility amounting to ₹ 1,107 crores from certain related parties, at an interest rate of approximately 9.9% p.a. that is repayable on demand. If our Promoters or members of the Promoter Group are unable to continue to infuse funds in our Company, at favourable terms or at all, it may impact our ability to continue and/or conclude our on-going research and may restrict our ability to initiate new research in the future. Our inability to continue and/or conclude our on-going research or commence new research in the future may affect our research and development initiatives and as a result have an adverse effect on our business performance and results of operations.

Subject to compliance with applicable laws, in case of any variation in the actual utilisation of funds earmarked for funding the research, increased fund requirements for a particular purpose may be financed from internal accruals, additional equity and/or debt arrangements or by surplus funds available in respect of the other purposes for which funds are being raised in the Issue (except towards general corporate purposes). We cannot assure you that we will continue to receive such financing from our Promoters or members of the Promoter Group in the future. Further, in addition to the funds being raised for the Issue, in the event our research program are not financed through internal accruals, or any other debt infusions (including from our Promoters and members of the Promoter Group) we will not be able to complete the research which can have an material adverse impact on the Issue as well as our business. For further details please see "*Use of Proceeds*-" on page 81.

***32. We are a listed company and are required to comply with rules and regulations notified by the Stock Exchange and SEBI with respect to continuous listing and the Companies Act. Any failure to comply with such rules and regulations or any inaccurate disclosure made to the Stock Exchanges or any statutory authority could result in penalties being imposed on us, which may adversely affect our business and operations.***

As a listed company, we are required to comply with certain conditions for continuous listing under the SEBI Listing Regulations and SEBI Insider Trading Regulations and other rules and regulations imposed by SEBI, which require us to make certain periodic disclosures, including ensuring compliance with code of conduct under insider trading policy and

ensuring compliance with board composition. Any failure to comply with these requirements or any wrongful or inaccurate disclosure made by us to the Stock Exchanges, or any other statutory authority may lead to penalties being imposed on us.

For example, pursuant to the letter dated March 19, 2024, NSE has, as part of its routine observations, highlighted certain observations on the financial results for the period ended September 30, 2023, which was filed by our Company with the Stock Exchanges. The same was followed by similar requisition by SEBI on August 7, 2024. Further, on October 11, 2024, we received a letter from NSE in relation to a press release we had made to the public through the stock exchanges, and possible corresponding unpublished price sensitive information, in relation to Zaynich (WCK 5222), one of our NCEs currently under development. By way of our letter dated October 25, 2024, we have responded with our clarifications in this regard. While these observations and letters are clarificatory in nature, we were required to provide responses and clarifications to the queries raised. Although we have responded to NSE and SEBI, we cannot guarantee that there will be no follow-on queries from the Stock Exchanges and SEBI or we will not be subject to any such queries in the future, which may adversely affect our business and operations.

Further, NSE and BSE *vide* correspondence dated September 13, 2024, imposed a fine of ₹ 10,000 each for alleged non-compliance of Regulation 29(2) and 29(3) of the SEBI Listing Regulations for the quarter ended August 31, 2024. While our Company endeavours to comply with obligations and reporting requirements under the SEBI Listing Regulations going forward, there may be non-disclosures or delayed or erroneous disclosures or any other non-compliance in the future and the same may result in the Stock Exchanges or SEBI imposing penalties, issuing warnings and show cause notices against us or taking actions as provided under the SEBI Act and rules and regulations made there under. Any such adverse regulatory action or development could affect our business reputation, divert management attention, and result in an adverse effect on our business, results of operations, financial conditions and cash flows.

***33. If we or our brand names fail to maintain a positive reputation, many aspects of our business and our business prospects could be adversely affected.***

We depend on our reputation and the brand names of our products in many aspects of our business, including:

- to gain access to, and for our products to be perceived favourably by, the hospitals and doctors that drive demand for pharmaceutical products in the jurisdictions in which we operate;
- to effectively work with the authorities that regulate various aspects of our business;
- to gain the trust of consumers of our products;
- to competitively position our service offering in the centralised tender processes required for them to be sold to public hospitals and medical institutions in India;
- to attract employees, distributors, third-party promoters and co-development partners to work with us; and
- to increase market share of our products through brand recognition.

However, there can be no assurances that we will be able to maintain a positive reputation or brand names. Our reputation and brand names may be adversely affected by a number of factors, many of which are outside our control, including:

- adverse associations with our products, including with respect to their efficacy or side effects;
- the effects of counterfeit products purporting to be our products;
- lawsuits and regulatory investigations against us or otherwise relating to our products or industry;
- improper or illegal conduct by our employees, distributors and third party promoters, whether or not authorised by us; and
- adverse publicity that is associated with us, our products or our industry, whether founded or unfounded.

If we or our brand names fail to maintain a positive reputation as a result of these or other factors, our products may become perceived unfavourably by hospitals, doctors, regulators and patients, and exist and potential employees, distributors, third-party promoters and co-development partners, and our business and business prospects could be adversely affected.

***34. If counterfeit versions of our products become available in the market, it could affect our sales, damage our reputation and the brand names for the relevant products and expose us to liability claims.***

Certain products distributed or sold in the pharmaceutical retail market in the jurisdictions in which we operate may be manufactured without proper licences or approvals and/or fraudulently mislabelled with respect to their content and/or

manufacturer. These products are generally referred to as counterfeit pharmaceutical products. The counterfeit pharmaceutical product control and enforcement system, particularly in developing markets such as India, may be inadequate to discourage or eliminate the manufacturing and sale of counterfeit pharmaceutical products imitating our products. Consequently, certain pharmaceutical products sold in India and other markets may be counterfeit products. Since counterfeit pharmaceutical products are generally sold at lower prices than authentic pharmaceutical products due to their lower manufacturing costs, and in some cases are very similar in appearance to the authentic pharmaceutical products, counterfeit products imitating our own pharmaceutical products can quickly erode our sales volume of the relevant product. Moreover, counterfeit products may or may not have the same chemical composition of our products and are manufactured without proper licences or approvals, which may make them less effective than our products or entirely ineffective and cause severe adverse side effects. This could expose us to negative publicity, reputational damage, fines and other administrative penalties, and may even result in litigation against us. The appearance of counterfeit pharmaceutical products, products of inferior quality and other unqualified products in the healthcare markets in recent years from time to time may reinforce the negative image in general of all pharmaceutical products manufactured in India or other relevant markets among consumers and may harm the reputation and brand names of companies like us. As a result of these factors, the continued proliferation of counterfeit pharmaceutical products in the market could affect our sales, damage our reputation and the brand names for the relevant products and expose us to liability claims.

***35. Our Company has reported losses in the past, which may have an adverse effect on our reputation and business.***

We reported net loss after tax amounting to ₹ 621 crores and ₹ 472 crores for the financial years ended March 31, 2023 and March 31, 2024. We may incur losses again in the future. A failure to generate profits may adversely affect the market price of our Equity Shares, restrict our ability to pay dividends and impair our ability to raise capital and expand our business. The following table sets forth the profit/ loss incurred for the periods indicated, at a consolidated level:

| Particulars | Three months ended June 30, 2024 | Three months ended June 30, 2023 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|---|---|---|---|---|---|
| | (₹ crores) | | | | |
| Net loss after tax | (16) | (136) | (472) | (621) | (279) |

There can be no assurance that we will not incur losses in the future which may have an adverse effect on our reputation and business.

***36. We have experienced negative cash flows from investing and financing activities. Any negative cash flows in the future would adversely affect our cash flow requirements, which may adversely affect our ability to operate our business and implement our growth plans, thereby affecting our financial condition.***

The following table sets forth certain information relating to our cash flows for the periods indicated:

| Particulars | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|---|---|---|---|
| | (₹ crores) | | |
| Net cash inflow from operating activities | 219 | 153 | 413 |
| Net cash (outflow) from investing activities | (137) | (125) | (201) |
| Net cash inflow / (outflow) from financing activities | 334 | (315) | (71) |

Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 98.

***37. Reforms in the pharmaceutical industry and the uncertainty associated with pharmaceutical pricing, reimbursement and related matters could adversely affect the marketing, pricing and demand for our products, which could materially adversely affect our business, results of operations, financial condition and cash flows.***

Our success and profitability will depend, in part, on the extent to which government and health administration authorities, private health insurers and other third-party payers will pay for our products. Increasing expenditure for healthcare has been the subject of considerable public attention in almost every jurisdiction where we conduct business. Both private and governmental entities are seeking ways to reduce or contain healthcare costs by limiting both coverage and the level of reimbursement for new therapeutic products. In many countries in which we currently operate, including India, pharmaceutical prices are subject to regulation. Price controls operate differently in different countries and can cause wide variations in prices between markets. Currency fluctuations can aggravate these differences. The existence of price controls can limit the revenues we earn from our products. For example, in India, prices of certain pharmaceutical products are

determined by the Drug Prices Control Order ("**DPCO**"), promulgated by the Indian government and administered by the National Pharmaceutical Pricing Authority ("**NPPA**"). If the prices of more of our products are administered or determined by the DPCO or NPPA or other similar authorities outside India, it would have an adverse impact on our profitability.

***38. Our Promoter Group, Directors and Key Management Personnel are interested in our Company in addition to their remuneration and reimbursement of expenses.***

Certain members of our Promoter Group, Directors and Key Managerial Personnel may be regarded as having an interest in our Company other than reimbursement of expenses incurred and normal remuneration or benefits. As on March 31, 2024, our Company has availed an unsecured loan facility amounting to ₹ 1,107 crores from certain members of our Promoter Group, at an interest rate of approximately 9.9% p.a. that is repayable on demand. Our Promoter may be considered to be interested to the extent of interest that may be paid at the time of repayment of the loan.

Further in addition to transactions disclosed at "*Financial Information*" on page 273, such Promoters, Directors and Key Managerial Personnel may also be deemed to be interested to the extent of Equity Shares held by them, as well as to the extent of any dividends, bonuses or other distributions on such Equity Shares. We cannot assure you that our Promoters, Directors and our Key Managerial Personnel, will exercise their rights as shareholders to the benefit and best interest of our Company.

***39. We may enter into related party transactions in the ordinary course of our business and we cannot assure you that such transactions will not have an adverse effect on our results of operation and financial condition.***

We may, from time to time, enter into related party transactions in the future. All related party transactions that we may enter into post-listing, will be subject to an approval by our Board, or Shareholders, as required under the Companies Act and the SEBI Listing Regulations. For further information please see, *Financial Information* on page 273 of this Preliminary Placement Document. Such related party transactions in the future or any other future transactions may potentially involve conflicts of interest which may be detrimental to the interest of our Company and we cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, financial condition, results of operations, cash flows and prospects.

***40. Our business depends on our key senior management members; if we lose and are unable to replace their services, our business prospects could be adversely affected.***

Our business and growth depend on the continued service of our senior management team. In particular, the industry experience, management expertise and contributions of our Executive Directors and other members of our senior management are crucial to our success. If we lose the services of any member of our senior management, we may be unable to recruit a suitable or qualified replacement and may incur additional expense to recruit and train new personnel, which could disrupt our business and growth. Furthermore, as we expect to continue expanding our operations and product portfolio, we will need to continue attracting and retaining experienced management personnel with extensive managerial, technical, research and development or sales and marketing experience. Competition for experienced management personnel in the pharmaceutical industry is intense, and the availability of suitable and qualified candidates in India is limited. Competition for these individuals could cause us to offer higher compensation and other benefits in order to attract and retain them, and consequently increase our operating costs. We may be unable to retain the senior management members required to achieve our business objectives, and failure to do so could adversely affect our business prospects.

***41. Changes in drug approval process in India may subject us to additional uncertainties in receiving regulatory approvals for our drug candidates on a timely basis, which could materially adversely affect our business, results of operations, financial condition and cash flows.***

Any future policies, or changes to current polices, that the CDSCO approves might require us to change our planned clinical study design or otherwise spend additional resources and effort to obtain approval of our drug candidates. In addition, policy changes may contain significant limitations related to use restrictions for certain age groups, warnings, precautions or contraindications, or may be subject to burdensome post-approval study or risk management requirements. If we are unable to obtain regulatory approval for our drug candidates in one or more jurisdictions, or any approval contains significant limitations, we may not be able to obtain sufficient funding or generate sufficient revenue to continue the development of our drug candidates or any other drug candidate that we may develop in the future.

***42. Our Company is unable to trace certain documents pertaining to historical secretarial information.***

Our Company is unable to trace certain filings pertaining to historical secretarial information, these includes, (i) resolution or noting for cancellation of seven equity shares subscribed by the subscribers to the memorandum of association of our Company pursuant to the scheme of arrangement between Wockhardt Life Sciences Limited and our Company for acquisition of Pharmaceuticals Division of Wockhardt Life Sciences Limited; (ii) information with respect to issue price at which the employee stock options were exercised and allotted on September 16, 2003, January 15, 2004, February 23, 2004, April 5, 2004, April 24, 2004, January 21, 2005, February 21, 2005, March 15, 2005, April 6, 2005, June 9, 2005,

September 12, 2005, January 11, 2006; and (iii) Form FC-GPR for allotment dated October 13, 2005; and (iv) board resolution approving scheme of amalgamation between Wockhardt Veterinary Limited with our Company. Consequently, certain disclosures in this Preliminary Placement Document in relation to the cancellation of equity shares, issue price for these issuances have been determined on the basis of clarifications given by our Company and certified true copy of the minutes of the Board meeting and shareholders meeting. Further, certain of our corporate records, including minutes of the meeting of the Board do not contain details of the issue price at which allotments made, cancellation of equity shares, hence, we face challenges establishing the same, and have relied on ancillary documents, including, *inter alia*, RBI's approval of loan registration number, filings made with the RoC, consents from the shareholders and copy of the order of competent court approving the amalgamation scheme, to make certain disclosures. For details of such allotments, cancellations, see "*Capital Structure*" on page 90. Additionally, while no legal proceedings or regulatory action has been initiated against our Company in connection with such untraceable secretarial records and other corporate records and documents as on the date of this Preliminary Placement Document, we cannot assure you that such legal proceedings or regulatory actions will not be initiated against our Company or that fines will be imposed by the regulatory authorities on our Company in this respect in the future.

***43. If subcontracting manufacturers do not produce pharmaceutical products meeting our specifications in sufficient volumes at commercially acceptable prices, our sales volumes and margins for the relevant products could be adversely affected, which could materially adversely affect our business, results of operations, financial condition and cash flows.***

We currently subcontract a portion of the production of some of our key products and may, in the future, subcontract a greater portion of our production of pharmaceutical products to meet increased demand for our existing products or our newly introduced products. We have less control over our subcontractor's production process than our own, and the risks of such products not being produced in the necessary volumes or at the appropriate quality levels are higher than if we manufacture in-house. Subcontracting manufacturers may fail to maintain the necessary licenses, permits and certificates to carry out production of our products, breach their obligations to produce our products on a timely basis, otherwise cease to conduct subcontracting business or fail to abide by our quality control requirements. We are exposed to the risks of increased pricing for our subcontracted production and that we may be unable to appoint or reappoint subcontracting manufacturers at commercial acceptable prices. If the subcontracting manufacturers we appoint do not produce pharmaceutical products meeting our specifications in sufficient volumes at commercially acceptable prices, or we are unable to appoint subcontracting manufacturers to do so, we may have insufficient quantities of our products to meet demand and our sales volumes and margins for the relevant products could be adversely affected.

***44. If our employees, distributors or third party promoters engage in mis-selling of our products, it could adversely affect our business and reputation.***

Despite our guidelines and supervision efforts, our employees, distributors and third party promoters may fail to provide accurate and complete information about our products, as a result of which hospitals, medical institutions, doctors and patients may misunderstand or misuse our products. Such misunderstanding or misuse could result in our products being less effective or cause severe adverse effects that could otherwise be avoided. Consequently, sales and reputation of our products could be adversely affected, and we could be exposed to product liability lawsuits or regulatory investigations, resulting in penalties, fines or disruption to our operations. While there have been no such instances in the past, we cannot assure you that in the event of such occurrences, there will not be a financial impact on our business and operations.

***45. The implementation of our strategy and other aspects of our business will require significant funding; if we do not have access to sufficient funding, it could adversely affect our business prospects.***

The implementation of many aspects of our strategy will require significant funding, including:

- the costs for drug development programmes for the expansion of our portfolio in key therapeutic areas;
- the expenses associated with expanding our sales and distribution network;
- the costs and expenditures required to grow our business internationally through drug development programmes for overseas markets; and
- the capital expenditure required to increase our production capacity.

In addition, many aspects of our general business operations have on-going funding requirements that may increase over time.

We expect that the implementation of our strategy and business plans will require us to continue to rely in part on external financing sources. However, our ability to continue to obtain external financing on commercially reasonable terms will depend on a number of factors, many of which are outside of our control, including our financial condition, results of operations and cash flows, India's economic condition, industry and competitive conditions, interest rates, prevailing conditions in the credit markets and government policies on lending. If we cannot obtain sufficient external funding on commercially acceptable terms to implement our strategies and business plans as currently contemplated, we could be required to revise our strategies and business plans, which could adversely affect our business prospects.

***46. If we experience delays in collecting payment from distributors, it could adversely affect our cash flow.***

We generally grant our distributors credit terms between 30 to 90 days, with longer terms granted to selected distributors whom we have built good relationships with. If our distributors' cash flow, working capital, financial condition or results of operations deteriorate, they may be unable, or they may otherwise be unwilling, to pay trade receivables owed to us promptly or at all. Any substantial defaults or delays could materially and adversely affect our cash flow, and we could be required to terminate our relationships with distributors in a manner that impairs the effective distribution of our pharmaceutical products.

***47. We may be subject to natural disasters, acts of war or other factors beyond our control.***

Natural disasters, acts of war or other factors beyond our control may adversely affect the economy, infrastructure and livelihood of the people in the regions where we conduct our business. Our operations may be under the threat of floods, earthquakes, fire or drought, power, water or fuel shortages, failures, malfunction and breakdown of information management systems, unexpected maintenance or technical problems, or are susceptible to potential wars or terrorist attacks. Serious natural disasters may result in loss of lives, injury, destruction of assets and disruption of our business and operations. Acts of war may also injure our employees, cause loss of lives, disrupt our business operations and destroy our markets. Any of these factors and other factors beyond our control could have a material adverse effect on the overall business sentiment and environment.

***48. Our insurance coverage may be limited. If we experience uninsured losses it could adversely affect our financial condition and results of operations.***

We maintain a wide range of insurance policies including policies for, among other things, crimes on our premises by employees, depositors or during transit, cyber security, business guard commercial against perils such as earthquakes, fires and burglary, industrial all risk insurance which includes insurance against material damage and business interruption, and marine insurance. As of March 31, 2024, we had insurance coverage for our property plant & machinery, including building, plant and machinery, office equipment, furniture and IT hardware, equivalent to ₹ 4,227 crores aggregating 2.22 times of our net fixed assets. We have public and product liability insurance coverage for our products. We also have a money insurance policy in respect of money in safe and our Directors are insured under our directors' and officers' liability insurance policy. However, our insurance coverage may be limited in certain circumstances. If we experience product liability claims or disruptions to our business, we might incur substantial costs and diversion of resources, which may not be fully covered by insurance. In addition, there are certain types of losses, such as losses from war, acts of terrorism, earthquakes, typhoons, flooding and other natural disasters for which we cannot obtain insurance at a reasonable cost or at all. Should an uninsured loss or a loss in excess of insured limits occur, we could suffer financial losses, lose all or a portion of our production capacity, as well as future revenue anticipated to be derived from the manufacturing activities conducted at that property. If we experience uninsured losses or losses in excess of our insurance coverage, it could adversely affect our financial condition and results of operations.

***49. We are subject to environmental regulations and if we fail to comply with such regulations or such regulations change, it may impair our ability to conduct our business and we may be exposed to liability and potential costs for environmental compliance.***

We are subject to the laws, rules and regulations of the countries wherein we have manufacturing facilities including India and UK in relation to environmental protection, including the discharge of effluent water and solid waste as well as the disposal of hazardous substance during our manufacturing processes, and may become subject to similar laws, rules and regulations in other jurisdictions in the future. In addition, we are required to obtain clearances and authorisations from government authorities for the treatment and disposal of such discharge. These include, *inter alia,* consents to establish and consents to operate under the Air (Prevention and Control of Pollution) Act, 1981 and the Water (Prevention and Control of Pollution) Act, 1974 and authorization under the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016. The costs we incurred for environmental protection may materially increase our total costs and decrease our profit. There can be no assurances that we will be able to comply fully at all times with applicable environmental laws, rules and regulations. Any violation of these laws, rules or regulations may result in substantial fines, criminal sanctions, revocations of operating permits, shutdown of our production facilities and obligations to take corrective measures.

Furthermore, the government in the countries wherein we have manufacturing facilities may take steps towards the adoption of more stringent environmental regulations. Due to the possibility of unanticipated regulatory or other developments, the amount and timing of future environmental expenditures may vary substantially from those currently anticipated. If there is any change in the environmental regulations, we may need to incur substantial capital expenditures to install, replace, upgrade or supplement our pollution control equipment, take additional protective and other measures against potential contamination or injury caused by hazardous materials, pay contribution in government-promoted environmental actions or make operational changes to limit any adverse impact or potential adverse impact on the environment.

***50. Our employees at our manufacturing facilities in India and globally are members of unions and we may be subject to industrial unrest, slowdowns and increased wage costs, which may adversely affect our business, cash flows and results of operations.***

As of June 30, 2024, 12 of our manufacturing facilities are located in numerous locations across India, and across the world which are governed by stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal, and legislation that imposes certain financial obligations on employers upon retrenchment. These manufacturing facilities are not only bound by Indian laws but with the laws of the jurisdictions where our manufacturing facilities are located, this includes our manufacturing facilities located in United Kingdom, Ireland and United Arab Emirates.

Some of our employees are members of registered labour unions in our manufacturing facilities in India, United Kingdom, Ireland and United Arab Emirates. Accordingly, it may be difficult for us to maintain flexible labour policies and we may face the threat of labour unrest, work stoppages and diversion of our management's attention due to union intervention. Although we have not experienced any labour unrest or work disruptions in the past, labour unrest or work stoppages or other slowdown at one or more of our manufacturing facilities may cause us to experience a significant disruption of our operations and to pay penalties for the late delivery of our products. Labour unrest or strikes associated with our operations could also damage our reputation with customers or in the market generally.

We have entered and may in the future enter into agreements with unions or works councils under which we incur certain obligations or agree to certain limitations or conditions for a period of time with respect to certain personnel, workplaces, departments or product lines. If a greater percentage of our work force became unionised, our labour costs may increase. Any significant increase in our labour costs may have an adverse effect on our business, cash flows, results of operations and financial condition. In addition, our collective bargaining agreements are subject to renegotiation with the unions from time to time and it is possible that employees could argue for arrangements that could cause us to incur higher employment costs. Such agreements or arrangements could limit our ability to adjust workforce headcounts or salaries or to restructure our business in response to difficult economic conditions. This reduced flexibility could have an adverse effect on our business, cash flows, results of operations and financial condition.

***51. Third party data in this Preliminary Placement Document may be incomplete or unreliable.***

Information regarding market position, growth rates and other industry data pertaining to our businesses contained in this Preliminary Placement Document consists of estimates based on data reports compiled by professional organizations and analysts, data from other external sources and our knowledge of the markets in which we compete.

In particular, this document includes information that is derived from the report titled "*Assessment of Global and Indian pharmaceuticals industry*" dated October 2024 prepared by CRISIL ("**CRISIL Report**"). The CRISIL Report is subject to various limitations and based upon certain assumptions that are subjective in nature. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics in such report may be inaccurate or may not be comparable to statistics produced for other economies. We have not independently verified data obtained from such report, or other industry publications and other sources referred to in this Preliminary Placement Document and, therefore, while we believe them to be true, we cannot assure you that they are complete or reliable. Such data may also be produced on different bases from those used in other industry publications. Therefore, discussions of matters relating to India, its economy and the industries in which we currently operate in this Preliminary Placement Document are subject to the caveat that the statistical and other external data upon which such discussions are based may be incomplete or unreliable. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analyses and estimates, so we rely on internally developed estimates. Similarly, while we believe our internal estimates to be reasonable, such estimates have not been verified by any independent sources and we cannot assure potential investors as to their accuracy.

***52. We rely extensively on our operational support systems, including quality assurance systems, quality control systems, product processing systems and information technology systems. Security breaches, cyber-attacks, computer viruses and hacking activities may cause material adverse effects on our business, financial performance and results of operations and expose us to liability, which could adversely affect our business and our reputation.***

Cyber-attacks, computer viruses or other unauthorized activity to our system, internal network, our customers' systems, third party's systems and information that they store and process, involving us or our third party service providers that we rely on for cloud storage or data processing may cause material adverse effects on our business, financial performance and results of operations. Any inadvertent transmission of computer viruses could expose us to a material risk of loss or litigation and possible liability. Hacking, computer viruses and phishing attacks could result in damage to our hardware and software systems and databases, disruptions to our business activities, including to our email and other communications systems, breaches of security and the inadvertent disclosure of confidential or sensitive information, interruptions in access to our website through the use of "denial of service" or similar attacks, and other material adverse effects on our operations. As techniques used to breach security change or evolve frequently and are often not recognized until launched against a target, we may not be able to implement new security measures in a timely manner or, if and when implemented, could be circumvented. Moreover, if a computer virus or hacking affects our systems and is highly publicized, our reputation and brand names could be materially damaged. Any attempts to gain access to our systems or facilities through various means, including hacking into our or our customers' systems or facilities, or attempting to fraudulently induce our employees, customers or others into disclosing usernames, passwords, or other sensitive information, which may in turn be used to access our IT systems and gain access to our or our customers' data or other confidential, proprietary, or sensitive information, could have a material adverse impact on our reputation, business and results of operations.

If security measures are breached because of employee theft, exfiltration, misuse or malfeasance, our or third party actions, omissions, or errors, unintentional events, deliberate attacks by cyber criminals or otherwise, or if design flaws in our software or systems are exposed and exploited, our relationships with customers could be damaged, and we could incur liability.

***53. If our employees and other third parties engage in fraud, bribery and corrupt practices, it could harm our reputation and expose us to regulatory investigations, costs and liabilities.***

We do not fully control the interactions our employees and third parties such as our distributors and third party promoters have with hospitals, medical institutions and doctors, and the way in which they are compensated may incentivise them to increase sales volumes of our pharmaceutical products through corrupt or other improper means that constitute violations of anti-corruption and other related laws. In the pharmaceutical industry, corrupt practices include, among other things, fraud, acceptance of kickbacks, bribes or other illegal gains or benefits by hospitals and other medical institutions or doctors from pharmaceutical manufacturers and distributors in connection with the procurement or prescription of certain pharmaceutical products. If our employees and other third parties engage in corrupt or other improper conduct or violate applicable anti-corruption laws, we could be required to pay damages or fines, which could harm our reputation and expose us to regulatory investigations, costs and liabilities. While we are not aware of any such instances of fraud, bribery and other corrupt practices, there can be no assurance that there will not be any such instances in the future. Although we consider our internal control policies and procedures to be adequate, we may be unable to prevent, detect or deter all such instances of misconduct. Any such misconduct committed against our interests, which may include past acts that have gone undetected or future acts, may have a material adverse effect on our business and results of operations.

***54. If we fail to comply with the anti-bribery laws, our reputation may be harmed and we could be subject to penalties and significant expenses that have a material adverse effect on our business, financial condition and results of operations.***

We may be or become subject to anti-bribery laws in India, the United States, the United Kingdom, the European Union and other jurisdictions, including the Foreign Corrupt Practices Act ("**FCPA**"). Anti-corruption laws have been enforced with great rigor in recent years and are interpreted broadly and prohibit companies and their employees and their agents from making or offering improper payments or other benefits to government officials and others in the private sector. As our business expands, the applicability of FCPA and other anti-bribery laws to our operations will increase. Our procedures and controls to monitor anti-bribery compliance may fail to protect us from reckless or criminal acts committed by our employees or agents. If we, due to either our own deliberate or inadvertent acts or those of others, fail to comply with applicable anti-bribery laws, our reputation could be harmed and we could incur criminal or civil penalties, other sanctions and/or significant expenses, which could have a material adverse effect on our business, including our financial condition, results of operations, cash flows and prospects.

***55. Any downgrade in our credit ratings could increase our borrowing costs, affect our ability to obtain financing, and adversely affect our business, results of operations and financial condition.***

The cost and availability of capital depends in part on our short-term and long-term credit ratings. Credit ratings reflect the opinions of ratings agencies on our financial strength, operating performance, strategic position and ability to meet our obligations. Any downgrade in our credit ratings could increase borrowing costs, result in an event of default under certain

of our financing arrangements and adversely affect our access to capital and debt markets, which could in turn adversely affect our interest margins, our business, results of operations, financial condition and cash flows. In addition, any downgrade in our credit ratings could result in a recall of existing facilities, increase the probability that our lenders impose additional terms and conditions to any financing or refinancing arrangements we enter into in the future, impair our future issuances of debt and equity, and our ability to raise new capital on a competitive basis, which may adversely affect our business, results of operations and financial condition.

Our credit ratings evolution with time is set forth with ICRA Limited (ICRA) assigning us a long-term rating of [ICRA]BBB-(Stable) and short-term rating of [ICRA]A3 for the Company, [ICRA]BBB-(Stable) for Long term – Fund Based – Term Loan, [ICRA]BBB-(Stable) /[ICRA]A3 for Long term/ Short term – Fund Based Working Capital limits, Long term/ Short term – Non Fund Based limits, and Long term/ Short term – Unallocated Limits of ₹ 326 crores with "Stable" outlook. In addition, our borrowing costs and our access to debt capital markets depend significantly on the credit ratings of India. There can be no assurance that India's credit ratings will not be revised or changed by ICRA or any of the other global rating agencies.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect the Company's ratings or terms on which the Company is able to finance future capital expenditure. This could have an adverse effect on our ability to fund our growth on favourable terms or at all and consequently adversely affect our business and financial performance and the price of the Equity Shares.

## EXTERNAL RISKS

### *Risks Related to India*

***56. Recent global economic conditions have been challenging and continue to affect the Indian market, which may adversely affect our business, financial condition, results of operations and prospects.***

The Indian economy and its securities markets are influenced by economic developments, political and market conditions in India and globally, including adverse geopolitical conditions and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India and could then adversely affect our business, financial performance, shareholders' equity and the price of our Equity Shares.

Large budget deficits and rising public debts in recent years, for example in Europe, have triggered sovereign debt finance crises that resulted in the bailouts of European economies and elevated the risk of government debt defaults, forcing governments to undertake aggressive budget cuts and austerity measures, in turn underscoring the risk of global economic and financial market volatility. Financial markets and the supply of credit could continue to be negatively impacted by ongoing concerns surrounding the sovereign debts and/or fiscal deficits of several countries in Europe, the possibility of further downgrades of, or defaults on, sovereign debt, concerns about a slowdown in growth in certain economies and uncertainties regarding the stability and overall standing of the European Monetary Union. Factors that may adversely affect the economy, and hence our results of operations and cash flows, may include:

- political instability, resulting from a change in governmental or economic and fiscal policies, may adversely affect economic conditions in India. In recent years, India has implemented various economic and political reforms. Reforms in relation to trade barriers have led to increased incidents of social unrest in India over which we have no control;
- the macroeconomic climate, including any increase in Indian interest rates or inflation;
- instability in other countries and adverse changes in geopolitical situations;
- civil unrest, local agitation, acts of violence, terrorist attacks, regional conflicts or situations or war; and
- India has experienced epidemics, and natural calamities such as earthquakes, tsunamis, floods, and drought in recent years;

Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our equity shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

***57. Natural or man-made disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.***

Natural disasters (such as cyclones, typhoons, flooding, storms, tsunamis, tornadoes, fires, explosions, and/or earthquakes), epidemics, pandemics such as COVID-19, and man-made disasters, including acts of war, terrorist attacks, and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition, and results of operations. Ongoing conflicts between some countries, have resulted in and may continue to result in a period of sustained instability across global financial markets for longer period of time. For example, following the invasion of Ukraine and conflict amongst other nations in the Middle East, countries like the United States of America, the EU, Canada, Japan, Australia and some other countries have made announcements regarding imposition of sanctions and sanctions have been implemented in the meantime. Further, the Iran–Israel cold war has resulted in sustained instability across global financial markets. The imposition of sanctions could lead to unpredictable reactions from countries. If any sanction risk materializes, this could induce volatility in commodity prices, adversely impact availability of natural gas, increase in supply chain, logistics times and costs, increase borrowing costs, cause outflow of capital from emerging markets and may lead to overall slowdown in economic activity in India and have a material adverse effect on our business, cash flows, financial condition and results of operations.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. The sovereign rating downgrades for Brazil and Russia (and the imposition of sanctions on Russia) have also added to the growth risks for these markets. These factors may also result in a slowdown in India's export growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition, cash flows and results of operation.

Our operations may be adversely affected by fires, natural disasters, and/or severe weather, which can result in damage to our property, and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic, and political events in India could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares.

***58. Any downgrading of India's sovereign debt rating by an international rating agency could have a negative impact on our business and results of operations.***

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any adverse revisions to credit ratings for India and other jurisdictions we operate in by international rating agencies may adversely impact our ability to raise additional financing. This could have an adverse effect on our ability to fund our growth on favourable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

***59. Changing regulations in India could lead to new compliance requirements that are uncertain.***

The regulatory environment in which we operate is evolving and is subject to change. The GoI may implement new laws or other regulations that could affect the industry in which we operate, which could lead to new compliance requirements, including requiring us to obtain additional approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements, which can lead to uncertainty in our operations and could adversely affect our business, prospects and results of operations. New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition and results of operations.

Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

The Government of India has passed new laws relating to social security, occupational safety, industrial relations and wages ages namely, the Code on Social Security, 2020, the Occupational Safety, Health and Working Conditions Code, 2020, the Industrial Relations Code, 2020 and the Code on Wages, 2019, respectively which were to take effect from April 1, 2021 (collectively, the "Labour Codes"). The Government of India has deferred the effective date of the Labour Codes and they shall come into force from such date as may be notified by the Government. Further, the Code on Social Security, 2020 ("Social Security Code") will impact overall employee expenses and, in turn, could impact the profitability of our Company. Under the Social Security Code, a new concept of deemed remuneration has been introduced, such that where an employee receives more than half (or such other percentage as may be notified by the Central Government), of their total remuneration in the form of allowances and other amounts that are not included within the definition of wages under

the Social Security Code, the excess amount received shall be deemed as remuneration and accordingly be added to wages for the purposes of the Social Security Code and the compulsory contribution to be made towards the employees' provident fund.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

***60. Changes in the taxation system in India could adversely affect our business.***

The regulatory environment in which we operate is evolving and is subject to change. The GoI may implement new laws or other regulations that could affect the industry in which we operate, which could lead to new compliance requirements, including requiring us to obtain additional approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements, which can lead to uncertainty in our operations and could adversely affect our business, prospects and results of operations. New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition and results of operations.

Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. For instance, the Supreme Court of India has in a decision clarified the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the provident fund payments to be made by companies. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations.

Similarly, changes in other laws may require additional compliances and/or result in us incurring additional expenditure. For instance, the Government of India has notified four labour codes which are yet to come into force as on the date of this Preliminary Placement Document, namely, (i) the Code on Wages, 2019, (ii) the Industrial Relations Code, 2020; (iii) the Code on Social Security, 2020; and (iv) the Occupational Safety, Health and Working Conditions Code, 2020. These codes consolidate and subsume numerous existing central labor legislations and will replace the existing legal framework governing rights of workers and labour relations. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future and increase our expenses. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

***61. If inflation were to rise in India, we might not be able to increase the prices of our services at a proportional rate thereby reducing our margins.***

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, wages, raw materials and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or entirely offset any increases in costs. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. There can be no assurance that Indian inflation levels will not worsen in the future.

***62. Investors may not be able to enforce a judgment of a foreign court against us, our Directors, the Book Running Lead Manager or any of its directors and executive officers in India respectively, except by way of a law suit in India.***

Our Company is a company incorporated under the laws of India as a company limited by shares and all of our Directors are located in India. As of the date of this Preliminary Placement Document, most of our assets, our Key Managerial Personnel, senior management personnel and officers are also located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment

in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908. India is not party to any international treaty in relation to the recognition or enforcement of foreign judgments. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, United Arab Emirates, Singapore and Hong Kong. The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favor such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States.

In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the Indian Code of Civil Procedure, 1908. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India. Further, there is no assurance that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI under the FEMA to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approval would be acceptable. Such amount may also be subject to income tax in accordance with applicable law.

***Risks Relating to the Equity Shares and this Issue***

***63. The trading volume and market price of the Equity Shares may be volatile following the Issue.***

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of key management personnel;
- changes in exchange rates;
- fluctuations in stock market prices and volume; and
- general economic and stock market conditions.

Changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares.

***64. Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.***

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time taken for such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Shareholders. For example, the exchange rate between the Indian Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the returns on our Equity Shares, independent of our operating results.

***65. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax ("**STT**") is levied on and collected by an Indian stock exchange on which equity shares are sold. You may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any capital gain realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. While non-residents may claim tax treaty benefits in relation to such capital gains income, generally, Indian tax treaties do not limit India's right to impose tax on capital gains arising from the sale of shares of an Indian company. While non-residents may claim tax treaty benefits in relation to such capital gains income, generally, Indian tax treaties do not limit India's right to impose tax on capital gains arising from the sale of shares of an Indian company.

The Finance Act, 2020 had stipulated that the sale, transfer and issue of certain securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act, 2020 also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of certain securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of certain securities, other than debentures, on a delivery basis is currently specified under the Finance Act, 2020 at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments have come into effect from July 1, 2020. Earlier, distribution of dividends by a domestic company was subject to Dividend Distribution Tax ("**DDT**"), in the hands of the company and such dividends were generally exempt from tax in the hands of the shareholders. However, the government of India has amended the IT Act to abolish the DDT regime. Under the extant provisions, any dividend distributed by a domestic company is subject to tax in the hands of the concerned shareholder at the applicable rates. Additionally, the company distributing dividends is required to withhold tax on such payments at the applicable rate. However, non-resident shareholders may claim benefit of the applicable tax treaty, subject to satisfaction of certain conditions.

Further, the Government of India has announced the union budget for Fiscal 2025, pursuant to which the Finance Act, 2023, came into force on April 1, 2023 which has introduced various amendments to the IT Act. We have not fully determined the impact of these recent and proposed laws and regulations on our business. We cannot predict whether the amendments made pursuant to the Finance Act, 2023 would have an adverse effect on our business, financial condition, future cash flows and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

***66. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.***

Foreign investment in Indian securities is subject to regulation by Indian regulatory authorities. Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. As provided in the foreign exchange controls currently in effect in India, the RBI has provided that the price at which the Equity Shares are transferred be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm's length basis, and a higher (or lower, as applicable) price per share may not be permitted. Additionally, the GoI may impose foreign exchange restrictions in certain emergency situations, including situations where

there are sudden fluctuations in interest rates or exchange rates, where the GoI experiences extreme difficulty in stabilizing the balance of payments, or where there are substantial disturbances in the financial and capital markets in India.

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, the Consolidated FDI Policy and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of any such country, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/purview, such subsequent change in the beneficial ownership will also require approval of the Government of India.

Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

As an Indian company, we are also subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business, financial condition and results of operations.

***67. Significant differences exist between Ind AS which is used to prepare our financial information and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.***

Our Financial Statements for Fiscal 2024, Fiscal 2023 and Fiscal 2022, included in this Preliminary Placement Document have been prepared in accordance with Indian Accounting Standards (Ind AS), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and the report issued thereon. Ind AS differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Preliminary Placement Document, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Ind AS financial statements are included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document should be limited accordingly.

***68. Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.***

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution. However, if the laws of the jurisdiction the investors are located in does not permit them to exercise their pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emption rights granted in respect of the Equity Shares held by them, their proportional interest in us would be reduced.

***69. Rights of shareholders of companies under Indian law may be more limited than under the laws of other jurisdictions.***

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from

those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and wide-spread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder of our Company than as a shareholder of an entity in another jurisdiction.

***70. Trading of the shares may be subject to the Additional Surveillance Measure and Graded Surveillance Measure of the stock exchanges***

Additional Surveillance Measure ("**ASM**") or Graded Surveillance Measure ("**GSM**"), the initiatives by the SEBI and stock exchanges to safeguard the interests of the investors and enhance market integrity, may impact the trading of the shares, once listed on the stock exchanges. Airline industry is categorized by stringent laws and regulations governing every aspect of an airline commencing from the launching of an aircraft to its operations and business. While the ASM and GSM initiatives are not targeted towards any airline industry explicitly, however, owing to the nature of business and regulatory landscape that we operate in, the trading of shares, once listed, may be deeply impacted by the ASM and GSM.

## MARKET PRICE INFORMATION

As on the date of this Preliminary Placement Document, our Company's issued, subscribed and paid-up capital comprises 15,34,22,546 Equity Shares of ₹5 each. The Equity Shares have been listed on BSE and on NSE. The Equity Shares are listed and traded on NSE under the symbol WOCKPHARMA and BSE under the scrip code 532300.

The closing prices of the Equity Shares on the NSE and the BSE as on November 6, 2024 were ₹1,269.85 and ₹1,269.95 per Equity Share, respectively. Since the Equity Shares are available for trading on the Stock Exchanges, the market price and other information for each of BSE and NSE has been given separately.

(i) The following tables set forth the reported high, low and average of the closing prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded and the total trading turnover for the Financial Years ended March 31, 2024, March 31, 2023, and March 31, 2022:

| **BSE** | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Financial Year** | **High (₹)** | **Date of high** | **Number of Equity Shares traded on the date of high** | **Total turnover of Equity Shares traded on date of high (₹ *crores*)** | **Low (₹)** | **Date of low** | **Number of Equity Shares traded on the date of low** | **Total turnover of Equity Shares traded on date of low (₹ *crores*)** | **Average price for the year (₹)** |
| 2024 | 630.00 | 01-Mar-24 | 1,14,598 | 7.09 | 154.65 | 03-Apr-23 | 92,729 | 1.47 | 308.75 |
| 2023 | 315.50 | 7-Apr-22 | 1,42,998 | 4.44 | 145.35 | 29-Mar-23 | 1,88,616 | 2.81 | 232.05 |
| 2022 | 804.50 | 26-May-21 | 5,33,946 | 41.39 | 253.20 | 31-Mar-22 | 3,00,319 | 7.96 | 466.17 |

*(Source: www.bseindia.com)*

*1. High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.*

*2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.*

*3. In case of two days with the same high or low price, the date with the higher turnover has been chosen.*

| **NSE** | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Financial Year** | **High (₹)** | **Date of high** | **Number of Equity Shares traded on the date of high** | **Total turnover of Equity Shares traded on date of high (₹ *crores*)** | **Low (₹)** | **Date of low** | **Number of Equity Shares traded on the date of low** | **Total turnover of Equity Shares traded on date of low (₹ *crores*)** | **Average price for the year (₹)** |
| 2024 | 630.00 | 1-Mar-24 | 12,73,130 | 78.68 | 154.55 | 3-Apr-23 | 20,72,163 | 32.99 | 308.78 |
| 2023 | 315.90 | 7-Apr-22 | 20,89,636 | 64.81 | 145.15 | 29-Mar-23 | 16,27,712 | 24.34 | 232.08 |
| 2022 | 804.90 | 26-May-21 | 89,82,799 | 696.66 | 254.30 | 31-Mar-22 | 29,01,970 | 77.06 | 466.29 |

*(Source: www.nseindia.com)*

*1. High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.*

*2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.*

*3. In case of two days with the same high or low price, the date with the higher turnover has been chosen.*

The following table sets forth the details of the number of Equity Shares traded on the Stock Exchanges and the turnover during Fiscals 2024, 2023 and 2022:

| **Fiscal** | **Number of Equity Shares Traded** | | **Turnover (in ₹ crores)** | |
|---|---|---|---|---|
| | **BSE** | **NSE** | **BSE** | **NSE** |
| 2024 | 3,00,48,410 | 43,20,54,855 | 955.15 | 13,830.86 |
| 2023 | 2,10,82,647 | 21,25,03,595 | 486.51 | 5,053.85 |
| 2022 | 2,98,63,437 | 30,34,10,754 | 1,490.53 | 15,799.68 |

*(Source: www.bseindia.com and www.nseindia.com)*

(ii) The following tables set forth the reported high, low and average of the closing prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded during each of the last six months:

| BSE | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Month year** | **High (₹)** | **Date of high** | **Number of Equity Shares traded on date of high** | **Total turnover of Equity Shares traded on date of high (₹ *crores*)** | **Low (₹)** | **Date of low** | **Number of Equity Shares traded on date of low** | **Total turnover of Equity Shares traded on date of low (₹ *crores*)** | **Average price for the month (₹)** | **Equity Shares traded in the month** | |
| | | | | | | | | | | **Volume** | **Turnover (₹ *crores*)** |
| October 2024 | 1,212.55 | 31-Oct-24 | 3,73,088 | 45.01 | 918.85 | 8-Oct-24 | 53,258 | 5.04 | 1,045.28 | 14,06,129 | 155.62 |
| September 2024 | 1,099.00 | 5-Sep-24 | 13,187 | 1.43 | 950.00 | 18-Sep-24 | 14,650 | 1.41 | 1,015.82 | 4,25,904 | 43.16 |
| August 2024 | 1,090.00 | 27-Aug-24 | 27,076 | 2.84 | 835.15 | 6-Aug-24 | 25,034 | 2.17 | 961.59 | 613,161 | 59.03 |
| July 2024 | 993.35 | 4-Jul-24 | 1,62,416 | 15.21 | 731.15 | 1-Jul-24 | 4,03,278 | 31.84 | 859.30 | 23,95,798 | 207.66 |
| June 2024 | 686.40 | 28-Jun-24 | 15,307 | 1.05 | 489.20 | 5-Jun-24 | 63,246 | 3.19 | 583.40 | 10,04,282 | 58.92 |
| May 2024 | 577.95 | 3-May-24 | 51,616 | 2.86 | 515.00 | 13-May-24 | 22,641 | 1.19 | 547.85 | 6,56,493 | 35.83 |

*(Source: www.bseindia.com)*

*1. High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.*

*2. In the case of a month, average represents the average of the closing prices of all trading days of each year presented.*

*3. In case of two days with the same high or low price, the date with the higher turnover has been chosen.*

| NSE | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Month year** | **High (₹)** | **Date of high** | **Number of Equity Shares traded on date of high** | **Total urnover of Equity Shares traded on ate of high (₹ *crores*)** | **Low (₹)** | **Date of low** | **Number of Equity Shares traded on date of low** | **Total turnover of Equity Shares traded on date of low (₹ crores)** | **Average price for the month (₹)** | **Equity Shares traded in the month** | |
| | | | | | | | | | | **Volume** | **Turnover (₹ *crores*)** |
| October 2024 | 1,208.35 | 31-Oct-24 | 11,14,954 | 133.83 | 915.00 | 8-Oct-24 | 2,35,034 | 22.30 | 1,044.48 | 96,93,947 | 1051.50 |
| September 2024 | 1,097.70 | 2-Sep-24 | 3,62,759 | 38.74 | 955.55 | 18-Sep-24 | 1,49,758 | 14.49 | 1,016.43 | 46,56,921 | 475.95 |
| August 2024 | 1,089.90 | 27-Aug-24 | 3,12,095 | 33.02 | 840.00 | 6-Aug-24 | 2,36,667 | 20.49 | 962.82 | 63,85,755 | 619.26 |
| July 2024 | 995.00 | 4-Jul-24 | 26,38,057 | 246.89 | 730.50 | 1-Jul-24 | 58,29,973 | 462.46 | 859.24 | 2,48,31,258 | 2,139.19 |
| June 2024 | 686.60 | 28-Jun-24 | 3,24,596 | 22.29 | 490.15 | 5-Jun-24 | 4,67,939 | 23.61 | 583.27 | 1,12,69,412 | 676.53 |
| May 2024 | 579.00 | 2-May-24 | 1,86,733 | 10.67 | 515.00 | 13-May-24 | 2,96,178 | 15.53 | 546.28 | 48,82,775 | 267.20 |

*(Source: www.nseindia.com)*

*1. High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.*

*2. In the case of a month, average represents the average of the closing prices of all trading days of each year presented.*

*3. In case of two days with the same high or low price, the date with the higher turnover has been chosen.*

(iii) The following table sets forth the market price on the Stock Exchanges on May 29, 2024, that is, the first Working Day following the approval dated May 28, 2024, of our Board of Directors for the Issue:

| **Date** | **BSE** | | | | | |
|---|---|---|---|---|---|---|
| | **Open** | **High** | **Low** | **Close** | **Number of Equity Shares traded** | **Volume (₹ *crores*)** |
| May 29, 2024 | 549.00 | 572.00 | 548.50 | 565.30 | 22,188 | 1.25 |

*(Source: www.bseindia.com)*

| **Date** | **NSE** | | | | | |
|---|---|---|---|---|---|---|
| | **Open** | **High** | **Low** | **Close** | **Number of Equity Shares traded** | **Volume (₹ *crores*)** |
| May 29, 2024 | 544.00 | 569.00 | 544.00 | 562.75 | 4,44,835 | 25.09 |

*(Source: www.nseindia.com)*

## USE OF PROCEEDS

The Gross Proceeds from the Issue aggregate to ₹ 1,000 crores. Subject to compliance with applicable laws, the net proceeds from the Issue, after deducting fees, commissions and the estimated expenses of the Issue of approximately ₹ [●] crores, shall be approximately ₹ [●] crores (the "**Net Proceeds**").

**Objects of the Issue**

Subject to applicable laws and regulations, our Company intends to use the Net Proceeds to finance the following objects:

*(₹ in crore)*

| Sr No. | Particulars | Amount which will be financed from Net Proceeds |
|---|---|---|
| **1.** | Repayment and/or pre-payment, in full or part, of certain borrowings availed by our Company | 500 |
| **2.** | Funding of capital expenditure, investment in research and development and incidental expenses | 250 |
| **4.** | General corporate purposes[(1)(2)] | [●] |
| | **Total Net Proceeds[(2)]** | [●] |

*[(1)] The amount to be utilised for general corporate purposes alone shall not exceed 25% of the Gross Proceeds.*
*[(2)]To be determined upon finalisation of the Issue Price.*

(hereinafter collectively, referred to as the "**Objects**")

The main objects and objects incidental and ancillary to the main objects of the memorandum of association of our Company and Subsidiaries, enable us to undertake (i) existing activities and (ii) the activities proposed to be funded from the Net Proceeds.

**Proposed schedule of implementation and deployment of Net Proceeds**

*(₹ in crore)*

| Sr. No. | Particulars | Amount to be funded from Net Proceeds | Proposed schedule for deployment of the Net Proceeds | |
|---|---|---|---|---|
| | | | Fiscal 2025 | Fiscal 2026 |
| 1. | Repayment and/or pre-payment, in full or part, of certain borrowings availed by our Company | 500 | 500 | - |
| 2. | Funding of capital expenditure, investment in research and development and incidental expenses | 250 | 164 | 87 |
| 4. | General corporate purposes[(1)(2)] | [●] | [●] | [●] |
| | **Total Net Proceeds**[(2)] | [●] | [●] | [●] |

*[(1)] The amount to be utilised for general corporate purposes alone shall not exceed 25% of the Gross Proceeds.*
*[(2)] To be determined upon finalisation of the Issue Price.*

*Note: Provided however that the proceeds from the Issue will first be utilised towards repayment of working capital loans before such proceeds are used for any other objects to the Issue.*

The deployment of funds indicated above is based on (a) management estimates, current circumstances of our business, prevailing market conditions and other commercial considerations, which are subject to change, and (b) certificate dated November 6, 2024, obtained from Virendra F. Panchal, an independent chartered engineer, in relation to funding of capital expenditure ("**CE Certificate**") and certificate dated November 6, 2024, obtained from J.L. Thakkar & Co., independent chartered accountant, in relation to investment in research and development by the Company. However, the deployment of funds described herein has not been appraised by any bank or financial institution or any other independent agency. The management estimates are based on experience and/or similar kind of studies undertaken in past by our Company and/or our Subsidiaries. We may have to revise our funding requirements and deployment from time to time on account of various factors, such as financial and market conditions, competition, business and strategy and interest/ exchange rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. Subject to compliance with applicable laws, in case of any variation in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed from internal accruals, additional equity and/or debt arrangements or by surplus funds available in respect of the other purposes for which funds are being raised in the Issue (except towards general corporate purposes).

Our Company may also have to revise funding for the pharmaceutical research and development and clinical trial projects due to external and internal factors, including but not limited to, change in government policies, laws, rules and regulations affecting our business or the industry in which we operate, human resources, commercial viability, delay in receipt of approval by ethics committees, site selection, patient recruitment rate during clinical trials, efficacy and safety outcomes in clinical trials, changing treatment landscape, additional data requirement by regulatory authorities, our financial condition, business strategy, economic

and business conditions, increased competition and government policies in relation to pharmaceutical industry, which may not be within the control of our management.

The nature of our business may require us to revise our requirements and deployment of Issue proceeds, since the process of pharmaceutical research and development and clinical trials are dependent on various steps and each step is dependent on the success of the prior steps. The overall success of the R&D process is dependent on the success of each of the steps carried out in the process. In the event any of such steps in fail due to any reason, the research and development activities related to the biosimilars may be suspended or de-prioritised. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular biosimilars project/ product or replacing a particular biosimilars project/ product with another/ new biosimilars project/ product at the discretion of the management of our Company. Consequently, our fund requirements may also change accordingly. Any such change in our plans may require rescheduling of our expenditure programs, starting projects that are not currently planned, discontinuing molecules in research pipeline currently planned and an increase or decrease in the expenditure for a particular molecule in research pipeline, at the discretion of the management of our Company.

**Details of the Objects**

***1. Repayment and/or pre-payment, in full or part, of certain borrowings availed by our Company.***

Our Company has entered into various borrowing arrangements from time to time, with banks and financial institutions. The outstanding borrowing arrangements entered into by our Company includes debt in the form of, *inter alia*, availing term loans and working capital facilities, including fund based and non–fund based borrowings. Our Company proposes to utilise an estimated amount of up to ₹ 500 crores from the Net Proceeds towards part or full repayment and/or pre-payment of certain borrowings availed by our Company. Our Company may avail further loans and/or draw down further funds under existing or new borrowing arrangements, from time to time.

Further, the outstanding amounts under these borrowings as well as the sanctioned limits are dependent on several factors and may vary with our business cycle with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits. Accordingly, our Company may utilise the Net Proceeds for part prepayment of any such facilities.

We believe that such repayment and/or pre-payment will help reduce our outstanding indebtedness and debt servicing costs, improve our debt-to-equity ratio and enable utilisation of our accruals for further investment in our business growth and expansion. Additionally, we believe that the since our debt-equity ratio will improve, it will enable us to raise further resources at competitive rates in the future to fund potential business development opportunities and plans to grow and expand our business in the future.

Certain of the financing facilities availed by our Company, provide for the levy of prepayment penalty. In the event that there are any prepayment penalties required to be paid under the terms of relevant financing agreements, such prepayment penalties shall be paid by our Company out of the internal accruals of our Company. We have and will also take such provisions into consideration while deciding repayment and/or pre-payment of loans from the Net Proceeds.

The following table provides the details of outstanding borrowings availed by our Company, any of which are proposed to be repaid or prepaid, in full or in part, from the Net Proceeds:

*(₹ in crore)*

| Sr. No. | Name of the lender | Date of sanction letter/ loan agreement | Nature of borrowing | Amount sanctioned as on Date of Sanction Letter (*in ₹ crores*) | Tenure of borrowing | Total amount outstanding as on 31st October 2024 (*in ₹ crores*) | Applicable interest rate % as on 31st October 2024 | Re-payment date/ schedule | Prepayment penalty (if any) | Purpose for which amount was utilised |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | State Bank of India | Sanction Letter No. IFB/AND/AMT-III/2023-24/279 dated 02/04/2024 | Working Capital Loan | 68.00 | 12 months | 60.34 | 16.95% | Renewed annually | - | Working Capital |
| 2 | IDBI Bank | Sanction Letter No. IDBI/LCG/Cuffe Parade/24-25/113 dated 20/06/2024 | Working Capital Loan | 180.00 | 12 months | 150.32 | 13.35% | Renewed annually | - | Working Capital |
| 3 | Bank of Baroda | Sanction Letter No. CFSBAL: RM4: 2023-24: 185 dated 13/03/2024 | Working Capital Loan | 173.40 | 12 months | 153.98 | 11.55% | Renewed annually | - | Working Capital |
| 4 | Punjab National Bank | Sanction Letter dated 18/01/2024 | Working Capital Loan | 157.50 | 12 months | 156.05 | 14.60% | Renewed annually | - | Working Capital |
| 5 | ICICI Bank | Sanction Letter No. CAL245261321778 dated 26/04/2024 | Working Capital Loan | 105.05 | 12 months | 15.28 | 11.75% | Renewed annually | - | Working Capital |
| 6 | STCI Finance Limited | Sanction Letter No. STCI/CL/WL/2023-24/1139 dated 21/12/2023 | Term Loan | 75.00 | 36 months | 75.00 | 13.00% | 30/12/2026 | Prepayment Penalty: 2% of prepaid amount | - R&D and Related Expenses<br>- Repayment of Existing Debt<br>- Long Term Working Capital |

** As certified by the Independent Chartered Accountant, Harshil Patel & Co., Chartered Accountant, by way of a certificate dated November 6, 2024.*

*2. Funding of capital expenditure, investment in research and development and incidental expenses*

Our Company proposes to utilise ₹ 164 crores in Fiscal 2025 and ₹ 87 crores in Fiscal 2026 towards funding of capital expenditure and investment in research and development, including incidental expenses, undertaken by the Company.

***Funding of capital expenditure***

We intend to capitalize on opportunities across various sectors in the pharmaceuticals industry by continuing to invest in innovation, expanding our facilities and increasing automation at our integrated manufacturing facilities. This will enable us to strengthen our core manufacturing facilities and support our growing production requirements. Our Company proposes to utilise a portion of the Net Proceeds, not exceeding ₹ 110 crores, towards capital expenditure, which will include acquisition and upgradation of equipment, plant and machinery. The remaining funds required in relation to the capital expenditure with be funded by the Company through internal accruals.

Accordingly, we intend to carry out the expansion of capacity of our manufacturing facilities and acquire and upgrade equipment, plant and machinery at Biotech Park, our manufacturing facility located at Waluj, Maharashtra, and manufacturing facility located at Shendra; (together, the "**Identified Manufacturing Facilities**") The total cost of such capital expenditure is estimated to be ₹ 124 crores, as per the CE Certificate.

While the specific number and nature of such equipment, plant and machinery to be procured by our Company will depend on our business requirements, set out below is an indicative list of the plant, machinery and equipment proposed to be purchased by our Company, as certified by Virendra F. Panchal, an independent chartered engineer, through its certificate dated November 6, 2024:

*(₹ in crore)*

| Manufacturing Facility | Address | Production line | Details of expansion | Fiscal 2025 | Fiscal 2026 | Total estimated cost |
|---|---|---|---|---|---|---|
| Biotech Park | H-14/2, MIDC Area, Waluj, Maharashtra – 431 136, India | API line | Increase in capacity of drug substance | 53.9 | 2.9 | 56.8 |
| | | F2 MFG line | Automation and line upgradation | 21.2 | 1.5 | 22.7 |
| | | Quality Control | QC capital expenditure | 11.1 | - | 11.1 |
| Shendra | Plot No. E-1/1, E-1.2, 6A, Five Star Industrial Estate, MIDC, Shendra, Chhatrapati Shambhajinagar – 431 154, India | • Batch size increase<br>• Packing line automation<br>• Automation in visual inspection | Formulation line | 12.5 | 2.1 | 14.6 |
| Next Generation Device Dispopen – II | | | Commercial mould required for next generation Dispopen – II | 4.4 | 14.4 | 18.8 |
| **Total** | | | | **103.1** | **20.9** | **124.0** |

The identification of plant/ machinery and other costs is based on the CE Certificate and present estimates of our management. While an indicative list of the property, plant and equipment that our Company intends to procure has been provided above, technical specifications of equipment, plant and machinery including type, specification, vendor, capacity or value of the machinery are subject to change.

**Contingencies**

The total estimated cost mentioned above is exclusive of the contingency provision to manage unexpected costs and delays, such as delays in procurement of materials or equipment, alterations in design or scope, availability and dependency on the suppliers of plant and machinery, any exchange rate fluctuations, increase in the estimated cost of plant and machinery or equipment, cost associated with delays in supply of plant and machinery, etc. On account of any contingencies if the actual capital expenditure exceeds the estimated costs, we may be required to deploy additional funds from internal accruals or debt funding or may opt for any other mode of fund raising in accordance with the applicable laws.

**Other Confirmation**

In addition to estimated expenses mentioned above, there may be revision in the final amounts payable towards these categories pursuant to any cost escalation, taxes, levies payable and/or installing cost, if any, on such items and accordingly, the actual costs may differ from the current estimates. Further, we have not entered into definitive agreements with any vendors and there can be no assurance that the same vendors with whom quotations or estimates have been procured and on the basis of which the CE Certificate was obtained would be engaged to eventually supply the items, or at the same costs. Additionally, while we have obtained purchase orders for some of the capital expenditure set out above, there can be no assurance that the terms and conditions of such purchase orders on the basis of which the CE Certificate was obtained would be modified in the future. Accordingly, the actual expenses for the capital expenditure may differ from the current estimates. Based on various commercial considerations including, among others, prevailing market price, availability of adequate manpower and equipment in timely manner, competition, business strategy and technological advancements, our Company shall have the flexibility to replace any existing equipment than as proposed, depending on the internal estimates of our management and business requirements.

***Investment in research and development***

We are engaged in the research and development, manufacture and distribution of pure and branded generics, vaccines, biosimilars, active pharmaceutical ingredients ("**APIs**"), as well as new chemical entity ("**NCE**") antibiotics targeting antimicrobial resistance ("**AMR**").

We have leveraged our established capabilities in manufacturing and distribution of pharmaceutical and biotechnology products to build innovative and multi-disciplinary research and development capabilities. Our research and development efforts have resulted in 3,265 patents filed and 842 patents held worldwide as of June 30, 2024. We have over 350 scientists with 63 PhDs and more than 132 associates in the drug discovery team across our two research and development centres (one R&D centre each in India and United Kingdom) and other locations as of June 30, 2024.

In line with our research and development activities undertaken in Fiscal 2023 and 2024, we intend to invest in targeted R&D activities in relation to biosimilars with a focus on development of Insulin analogues in various markets. Following is the estimated and projected cost in relation to biotechnology R&D activities and development of Insulin analogues, as certified by J.L. Thakkar & Co., independent chartered accountant, through its certificate dated November 6, 2024:

*(₹ in crore)*

| Sr No | Particulars | Fiscal 2023 | Fiscal 2024 | Projected Year 1 | Projected Year 2 | Projected Total |
|---|---|---|---|---|---|---|
| 1 | Total biotechnology R&D revenue expenses | 2,516 | 2,183 | 2,639 | 2,864 | 5,503 |
| 2 | Product development cost for Insulin analogues in additional markets | 479 | 297 | 34,06 | 5,098 | 8,504 |
| **Total** | | **2,995** | **2,480** | **6,045** | **7,962** | **14,007** |

**Anti-diabetes Biosimilars Pipeline**

*We have a comprehensive pipeline of anti-diabetes biosimilar for Insulin and Insulin Analogs as described below:*

**Aspart R** is a rapid-acting insulin analogue used to manage blood sugar levels in individuals with diabetes. It is designed to act quickly, usually beginning to work within 10-20 minutes of injection, with peak activity around 1-3 hours, and an overall effect lasting about 3-5 hours. Like other rapid-acting insulins, it helps control blood sugar spikes after meals by facilitating the uptake of glucose into cells. Aspart R is typically taken just before or immediately after meals, making it a key tool in managing mealtime glucose levels efficiently.

**Aspart 30/70** is a premixed insulin formulation that combines 30% rapid-acting insulin Aspart with 70% intermediate-acting insulin (protamine-crystallized insulin Aspart). This mixture is designed to provide both an immediate blood sugar-lowering effect and a longer-lasting action, making it suitable for managing both mealtime and basal (background) glucose needs.

The rapid-acting component of Aspart 30/70 starts working within 10-20 minutes, peaks around 1-4 hours, and helps control blood sugar after meals. The intermediate-acting portion provides a more prolonged effect, lasting up to 12-16 hours. Aspart 30/70 is often used twice daily before breakfast and dinner to maintain stable blood glucose levels throughout the day and night.

**Lispro R** is also a rapid-acting insulin analogue used primarily for managing blood glucose levels in people with diabetes. It mimics the body's natural insulin response to meals by helping move glucose from the blood into cells, lowering blood sugar levels quickly. Typically, it starts working within 15 minutes after injection, peaks around 1 to 2 hours, and has a

duration of action of about 3 to 5 hours. This rapid action makes it suitable for controlling post-meal blood sugar spikes when taken just before or immediately after meals.

**WCK 9406** is our innovative bio-better that combines fast-acting insulin analogue and long-acting insulin analogue. It is indicated to improve glycemic control in patients with Type-I & Type-II Diabetes Mellitus.

The status of the above portfolio stands as below:

Glargine 100 IU (for global markets), Aspart R (for global markets), Lispro R (for global markets), Aspart Mix (for India and emerging markets), WCK 9406 (fast-acting + long-acting combination) which is our innovation bio-better (for India and emerging markets).

Human Insulin and Insulin Glargine have been commercialised in India and over 30 emerging markets. Aspart R has been already filed for approval in India.

**Development status of Insulin analogues in Emerging Markets**

| | Aspart R | Aspart 30/70 | Lispro R | WCK 9406 |
|---|---|---|---|---|
| Process development | ✓ | ✓ | ✓ | ✓ |
| Process Scale Up | ✓ | ✓ | ✓* | Planned |
| Drug substance validation batches | ✓ | ✓ | ✓* | ✓ |
| Drug product validation batches | ✓ | Planned | Planned | Planned |
| PK/PD study | ✓ | | | |
| Analytical similarity | ✓ | | | |

Filed in India

E.Coli host cell as platform technology for all above products
✓ Completed
* To be further scaled up

*The Biosimilars drug development process*

Typically, any Biosimilars product approval activity involves several stages of development. Some of the stages are explained below:

Drug substance development – This stage involves manufacturing of active biological ingredient.

Drug product development – This stage involves manufacturing of biosimilars in a specific dosage form as for instance, vials, cartridges, and dispopen.

Analytical characterisation – This stage involves development of testing methods for identifying, quantifying and characterising the biosimilars with the innovator product.

Clinical development – This stage involves conducting pharmacodynamics and pharmacokinetic studies of the biosimilar with the innovator product to show comparability.

Regulatory – This stage involves the process of filing to different regulatory bodies for seeking approval for the drug in various markets.

*Cost*

We aim to maintain our cost management focus through our in-house integrated manufacturing capabilities, across our business to deliver growth as well as to achieve economies of scale. We believe that our in-house manufacturing capabilities and in-house device development capabilities, which adopt uniform manufacturing standards to achieve standardized product quality, provide us with a competitive advantage by helping us maintain quality control, mitigate the demand-supply fluctuations that routinely affect the pharmaceutical markets and ensure consistency and reliability of supply. We continue to improve and assess our research and development programmes to increase efficiency and enhance economies of scale in order to further reduce costs.

In addition, we aim to achieve supply chain efficiencies through lifecycle management of products, including in-house research and development and manufacture processes. In particular, our quality assurance and quality control team will continue to support the lifecycle management of our products to improve manufacturing efficiencies. Realizing these efficiencies will also support our ability to make regulatory filings promptly and consistently. In addition, our products benefit from our ability to integrate backwards to manufacture our own drug substance for biosimilars, providing us with security and cost advantages in our supply chain which in turn will enable us to gain greater market competitiveness. We also intend to continue to manage our supply chain costs through optimal inventory levels, economic orders and other measures.

Typically, any biotech activity involves several stages of development starting from drug substance and drug product development, clinical trials, regulatory approvals and commercialization. However, our historical investments in such activities, especially which relates to product development may not be fully reflective of our future growth plans and new developments which may tend to have higher associated future costs. The details of expenditure incurred by our Company during the Fiscal 2023 and Fiscal 2024 have been laid down in the table as below:

*(in ₹ crores)*

| Particulars | For the financial year ended March 31, 2024 | For the financial year ended March 31, 2023 |
|---|---|---|
| Biotech R&D expenses (including product development) | 22 | 25 |
| Total Revenue | 2,651 | 3,230 |
| % of Total revenue | 0.8 | 0.8 |

*Government approvals*

We will apply for all such necessary approvals that we may require at future relevant stages to facilitate the Biosimilar development process. In the event of any unanticipated delay in receipt of such approvals, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly.

For details, see "*Risk Factor – The pharmaceutical industry is highly regulated, and our business and operations are dependent on various approvals, licenses and registrations both in India and outside India. If we or parties on whom we rely fail to obtain or maintain the necessary licences for our business activities, or if changes to existing regulations result in our licenses being expired or revoked, our ability to conduct our business could be materially impaired, which could materially adversely affect our business, results of operations, financial condition and cash flows.*"; "*Risk Factor – Changes in drug approval process in India may subject us to additional uncertainties in receiving regulatory approvals for our drug candidates on a timely basis, which could materially adversely affect our business, results of operations, financial condition and cash flows.*"; and "*Risk Factor – If we encounter difficulties enrolling patients in our clinical trials, our clinical development activities could be delayed. Further, results of earlier clinical trials may not be predictive of results of later-stage clinical trials and our drug candidates may also cause undesirable side effects or have other properties that could delay or prevent their regulatory approval and materially harm our business and reputation. The patient pool for our drug candidates may be limited to those patients who are ineligible for or have failed prior treatments and may be small, and any failure to obtain sufficient pools for our drug candidates may adversely impact our R&D efforts, which could materially adversely affect our business, results of operations, financial condition and cash flows.*" on pages 50, 67 and 53, respectively.

***3. General corporate purposes***

The Net Proceeds will first be utilized towards the Objects as set out above. Subject to this, our Company intends to deploy any balance Net Proceeds towards general corporate purposes, as approved by our management, from time to time, based on our business requirements and other relevant considerations, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds.

The general corporate purposes may include, but are not limited to meeting fund requirements which our Company or Subsidiaries may face in the ordinary course of business, (i) any additional re-payment or prepayment of our borrowings; (ii) strategic initiatives; (iii) funding growth opportunities; (iv) strengthening marketing capabilities and brand building exercises; (v) meeting ongoing general corporate exigencies and contingencies; (vi) capital expenditure; (vii) meeting working capital requirements; (viii) expenses of our Company and any other purpose as may be approved by our Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act, 2013. Our Company's management shall have flexibility in utilising surplus amounts, if any, in accordance with applicable laws.

**Means of finance**

The funding requirements towards the objects of the Issue are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue and existing identifiable accruals.

In case of a shortfall in the Net Proceeds, we may explore a range of options including utilizing our internal accruals, and/or seeking additional debt from existing and or other lenders.

**Monitoring of utilisation of funds**

Pursuant to Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CRISIL Ratings Limited, a credit rating agency registered with the SEBI, as the monitoring agency ("**Monitoring Agency**") by way of an agreement dated October 28, 2024 as the size of our Issue exceeds ₹ 100 crores. The Monitoring Agency shall submit its report to our Company in the format specified in Schedule XI of the SEBI ICDR Regulations on a quarterly basis, till 100% of the Net Proceeds of the Issue have been utilised. The board of directors and the management of our Company will provide their comments on the findings of the Monitoring Agency as specified in Schedule XI. Our Company shall, within 45 days from the end of each quarter, upload the report of the Monitoring Agency on our website and also submit the same to the Stock Exchanges.

The report of the Monitoring Agency shall be placed before our Audit Committee on a quarterly basis, promptly upon its receipt. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the Objects, as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Objects, as stated above. This information will also be published on our website simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

**Other confirmations**

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC and final listing and trading approvals are received from each of the Stock Exchanges. The Net Proceeds shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised as approved by our Board and / or a duly authorized committee of our Board, from time to time only for such purposes, as permitted under the Companies Act, 2013, prescribed Objects as disclosed above and other applicable laws.

Our Company will have flexibility in deploying the Net Proceeds received by our Company from the Issue in accordance with applicable laws. Pending utilisation for the purposes described above, our Company intends to temporarily invest funds in creditworthy instruments, including money market mutual funds and deposits with banks. Such investments would be in accordance with the investment policies as approved by our Board from time to time and applicable laws.

Subject to applicable laws, our Board shall determine the quantum of Net Proceeds to be deployed by our Company from the Issue, depending on business opportunities or requirements of our Company from time to time.

Neither our Promoters nor our Directors, are making any contribution either as part of the Issue or separately in furtherance of the Objects. Further, neither our Promoters nor our Directors shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoters, Directors, Key Managerial Personnel or members of Senior Management (including 'key managerial personnel' under the Companies Act) are not eligible to subscribe in the Issue.

## CAPITALISATION STATEMENT

The following table sets forth our capitalization and total borrowings, on a consolidated basis, as at March 31, 2024, which has been derived from our Unaudited Consolidated Financial Results and as adjusted to give effect to the receipt of the Gross Proceeds of the Issue. This table should be read in conjunction with the sections titled "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" and "***Financial Information***" on pages 98 and 273, respectively.

*(in ₹ crore, unless otherwise stated)*

| Particulars | Pre-Issue (as at March 31, 2024) (unaudited consolidated) | Post-Issue as adjusted ^ |
|---|---|---|
| **Current borrowing:** | | |
| Secured (including current maturities of long-term debt) | 982 | [●] |
| Unsecured | 239 | [●] |
| **Total current borrowings** | **1,221** | [●] |
| | | |
| **Non-current borrowing** | | |
| Secured | 0 | [●] |
| Unsecured | 891 | [●] |
| **Total non-current borrowings** | **891** | |
| | | |
| **Total debt (a)** | **2,112** | [●] |
| | | |
| **Shareholders' funds:** | | |
| Share capital | 77 | [●] |
| Securities premium | 1,261 | [●] |
| Other equity (excluding securities premium) | 2,021 | [●] |
| **Shareholders' funds (excluding borrowings) (b)** | **3,359** | [●] |
| | | |
| **Total capitalization (a + b)** | **5,471** | [●] |
| **Current Borrowing / Shareholders Funds** | 0.36 | [●] |
| **Non-current Borrowings / Shareholders Funds** | 0.27 | [●] |
| **Total Borrowing / Shareholders Funds** | 0.63 | [●] |

^ *To be incorporated after determination of the Issue Price.*

## CAPITAL STRUCTURE

The share capital of our Company as on the date of this Preliminary Placement Document is set forth below:

*(in ₹, except share data)*

| | Particulars | Aggregate value at face value (except for securities premium account) |
|---|---|---|
| | **AUTHORISED SHARE CAPITAL** | |
| **A** | 25,00,00,000 Equity Shares of face value of ₹ 5 each | 1,25,00,00,000 |
| | 2,00,00,00,000 Preference Shares of face value of ₹ 5 each | 10,00,00,00,000 |
| | | 11,25,00,00,000 |
| | **ISSUED SHARE CAPITAL BEFORE THE ISSUE** | |
| **B** | 15,34,22,546 Equity Shares of face value of ₹ 5 each | 76,71,12,730 |
| | | |
| | **SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE** | |
| **C** | 15,34,22,546 Equity Shares of face value of ₹ 5 each | 76,71,12,730 |
| | | |
| | **PRESENT ISSUE IN TERMS OF THIS PRELIMINARY PLACEMENT DOCUMENT** | |
| **D** | [●] Equity Shares of face value of ₹ 5 each aggregating to ₹ [●] crores[(1)] | [●] |
| | | |
| | **ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE** | |
| **E** | [●] Equity Shares of face value of ₹ 5 each[(1)] | [●] |
| | | |
| | **SECURITIES PREMIUM ACCOUNT**[(3)] | |
| **F** | Before the Issue | 799 |
| | After the Issue[(2)] | [●] |

*(1) This Issue has been authorised and approved by our Board of Directors on May 28, 2024, and by our Shareholders through a special resolution passed on June 28, 2024.*

*(2) To be determined upon finalisation of Issue Price.*

*(3) The securities premium account after the Issue is calculated on the basis of Gross Proceeds. Adjustments do not include Issue related expenses. To be updated upon finalisation of Issue Price.*

### Equity share capital history of our Company

The following table sets forth details of allotments of Equity Shares of our Company since the date of incorporation:

| Date of allotment | Number of equity shares allotted | Face value per equity share (₹) | Issue price per equity share (₹) | Nature of consideration | Reasons / nature of allotment | Cumulative number of equity shares |
|---|---|---|---|---|---|---|
| July 8, 1999 | 7 | 10 | 10 | Cash | Subscription to the MOA | 7 |
| February 11, 2000* | (7) | 10 | 10 | - | Cancelled pursuant to the scheme of arrangement between Wockhardt Life Sciences Limited and the Company for acquisition of Pharmaceuticals Division of Wockhardt Life Sciences Limited | (7) |
| February 11, 2000 | 3,50,61,652 | 10 | - | Other than cash | Pursuant to scheme of arrangement between Wockhardt Life Sciences Limited and the Company for acquisition of Pharmaceuticals Division of Wockhardt Life Sciences Limited, shareholders of Wockhardt Life Sciences Limited were allotted equity shares in the ratio of 1:1 i.e. one equity share of the Company for every one equity share of Wockhardt Life Sciences Limited held by them. | 3,50,61,652 |
| April 22, 2000 | 12,00,000 | 10 | - | Other than cash | Pursuant to the scheme of amalgamation between Wockhardt Veterinary | 3,62,61,652 |

| Date of allotment | Number of equity shares allotted | Face value per equity share (₹) | Issue price per equity share (₹) | Nature of consideration | Reasons / nature of allotment | Cumulative number of equity shares |
|---|---|---|---|---|---|---|
| | | | | | Limited with the Company, shareholders of Wockhardt Veterinary Limited were allotted equity shares in the ratio of 1:4 i.e. one equity share of the Company for every four equity shares of Wockhardt Veterinary Limited. | |
| August 14, 2002 | 3,600 | 10 | 400 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 3,62,65,252 |
| January 7, 2003 | 2,700 | 10 | 400 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 3,62,67,952 |
| September 16, 2003* | 8,700 | 10 | 200 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 3,62,76,752 |
| | 4,000 | 10 | 400 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 3,62,80,652 |
| | 4,000 | 10 | 10 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 3,62,84,652 |
| October 14, 2003 | 5,550 | 10 | 200 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 3,62,90,202 |
| November 25, 2003 | 1,700 | 10 | 200 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 3,62,91,902 |
| December 31, 2003 | 3,950 | 10 | 200 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 3,62,95,852 |
| January 15, 2004* | 9,950 | 10 | 250 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 3,63,05,802 |
| | 2,700 | 10 | 400 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 3,63,08,502 |
| | 2,700 | 10 | 10 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 3,63,11,202 |
| February 23, 2004* | 6,250 | 10 | 250 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 3,63,17,452 |
| | 1,500 | 10 | 400 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 3,63,18,952 |
| | 1,950 | 10 | 10 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 3,63,20,902 |
| April 5, 2004* | 4,500 | 10 | 250 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 3,63,25,402 |
| | 2,700 | 10 | 400 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 3,63,28,102 |
| | 2,250 | 10 | 10 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 3,63,30,352 |
| April 24, 2004* | 750 | 10 | 250 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 3,63,31,102 |
| | 450 | 10 | 400 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 3,63,31,552 |
| | 450 | 10 | 10 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 3,63,32,002 |
| Pursuant to a resolution of our Board dated February 12, 2004, and a resolution of our Shareholders dated April 22, 2004, equity shares of our Company having face value of ₹10 each were sub-divided into equity shares of face value of ₹5 each with effect from May 7, 2004. Consequently, the issued and subscribed equity share capital of our Company comprising 3,63,32,002 equity shares of face value of ₹ 10 each was sub-divided into 7,26,64,004 equity shares of face value of ₹ 5 each. | | | | | | 7,26,64,004 |
| May 8, 2004 | 3,63,32,002 | 5 | - | N.A. | Allotment of bonus shares in the ratio of 1 Equity Share for every 2 Equity Shares. | 10,89,96,006 |
| January 21, 2005* | 21,150 | 5 | 60 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 10,90,17,156 |
| | 22,500 | 5 | 5 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 10,90,39,656 |
| | 20,700 | 5 | 133.33 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 10,90,60,356 |
| | 6,000 | 5 | 144.66 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 10,90,66,356 |

| Date of allotment | Number of equity shares allotted | Face value per equity share (₹) | Issue price per equity share (₹) | Nature of consideration | Reasons / nature of allotment | Cumulative number of equity shares |
|---|---|---|---|---|---|---|
| February 21, 2005* | 6,300 | 5 | 133.33 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 10,90,72,656 |
| | 6,300 | 5 | 5 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 10,90,78,956 |
| | 16,950 | 5 | 60 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 10,90,95,906 |
| March 14, 2005* | 4,800 | 5 | 60 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 10,91,00,706 |
| | 6,300 | 5 | 5 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 10,91,07,006 |
| | 12,750 | 5 | 133.33 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 10,91,19,756 |
| | 1,500 | 5 | 144.66 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 10,91,21,256 |
| April 6, 2005* | 2,550 | 5 | 60 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 10,91,23,806 |
| | 2,700 | 5 | 5 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 10,91,26,506 |
| | 12,000 | 5 | 133.33 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 10,91,38,506 |
| June 9, 2005* | 1,350 | 5 | 60 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 10,91,39,856 |
| | 2,499 | 5 | 144.66 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 10,91,42,355 |
| | 300 | 5 | 133.33 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 10,91,42,655 |
| September 12, 2005* | 2,550 | 5 | 60 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 10,91,45,205 |
| | 750 | 5 | 133.33 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 10,91,45,955 |
| | 9,999 | 5 | 144.66 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 10,91,55,954 |
| October 13, 2005 | 141,397 | 5 | 486.07 | Other than cash | Conversion of 1,500 foreign currency convertible bonds | 10,92,97,351 |
| November 9, 2005 | 2,250 | 5 | 60 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 10,92,99,601 |
| January 11, 2006* | 42,150 | 5 | 400 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 10,93,41,751 |
| | 37,950 | 5 | 5 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 10,93,79,701 |
| | 900 | 5 | 180 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 10,93,80,601 |
| February 28, 2006 | 14,700 | 5 | 400 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 10,93,95,301 |
| | 24,750 | 5 | 5 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 10,94,20,051 |
| April 28, 2006 | 5,850 | 5 | 133.33 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 10,94,25,901 |
| August 16, 2006 | 10,002 | 5 | 144.67 | Cash | Allotment of shares pursuant to exercise of ESOS-2001. | 10,94,35,903 |
| December 19, 2012 | 1,02,200 | 5 | 5 | Cash | Allotment of shares pursuant to exercise of employee stock options under ESOS-11. | 10,95,38,103 |
| | 20,000 | 5 | 397 | Cash | Allotment of shares pursuant to exercise of employee stock options under ESOS-11. | 10,95,58,103 |
| January 21, 2013 | 5,300 | 5 | 5 | Cash | Allotment of shares pursuant to exercise of employee stock options under ESOS-11. | 10,95,63,403 |
| | 20,000 | 5 | 397 | Cash | Allotment of shares pursuant to exercise of employee stock options under ESOS-11. | 10,95,83,403 |
| August 29, 2013 | 157,750 | 5 | 5 | Cash | Allotment of shares pursuant to exercise of employee stock options under ESOS-11. | 10,97,41,153 |

| Date of allotment | Number of equity shares allotted | Face value per equity share (₹) | Issue price per equity share (₹) | Nature of consideration | Reasons / nature of allotment | Cumulative number of equity shares |
|---|---|---|---|---|---|---|
| | 10,000 | 5 | 397 | Cash | Allotment of shares pursuant to exercise of employee stock options under ESOS-11. | 10,97,51,153 |
| April 7, 2014 | 8,000 | 5 | 5 | Cash | Allotment of shares pursuant to exercise of employee stock options under ESOS-11. | 10,97,59,153 |
| May 29, 2014 | 2,48,750 | 5 | 5 | Cash | Allotment of shares pursuant to exercise of employee stock options under ESOS-11. | 11,00,07,903 |
| October 20, 2014 | 32,500 | 5 | 5 | Cash | Allotment of shares pursuant to exercise of employee stock options under ESOS-11. | 11,00,40,403 |
| January 20, 2015 | 25,750 | 5 | 5 | Cash | Allotment of shares pursuant to exercise of employee stock options under ESOS-11. | 11,00,66,153 |
| February 25, 2015 | 6,750 | 5 | 5 | Cash | Allotment of shares pursuant to exercise of employee stock options under ESOS-11. | 11,00,72,903 |
| June 24, 2015 | 1,32,500 | 5 | 5 | Cash | Allotment of shares pursuant to exercise of employee stock options under ESOS-11. | 11,02,05,403 |
| July 8, 2015 | 209,000 | 5 | 5 | Cash | Allotment of shares pursuant to exercise of employee stock options under ESOS-11. | 11,04,14,403 |
| | 5,000 | 5 | 397 | Cash | Allotment of shares pursuant to exercise of employee stock options under ESOS-11. | 11,04,19,403 |
| July 27, 2015 | 75,000 | 5 | 5 | Cash | Allotment of shares pursuant to exercise of employee stock options under ESOS-11. | 11,04,94,403 |
| October 12, 2015 | 6,000 | 5 | 5 | Cash | Allotment of shares pursuant to exercise of employee stock options under ESOS-11. | 11,05,00,403 |
| December 16, 2015 | 8,500 | 5 | 5 | Cash | Allotment of shares pursuant to exercise of employee stock options under ESOS-11. | 11,05,08,903 |
| July 28, 2016 | 39,125 | 5 | 5 | Cash | Allotment of shares pursuant to exercise of employee stock options under ESOS-11. | 11,05,48,028 |
| June 8, 2017 | 15,200 | 5 | 5 | Cash | Allotment of shares pursuant to exercise of employee stock options under ESOS-11. | 11,05,63,228 |
| November 28, 2017 | 33,600 | 5 | 5 | Cash | Allotment of shares pursuant to exercise of employee stock options under ESOS-11. | 11,05,96,828 |
| February 16, 2018 | 33,625 | 5 | 5 | Cash | Allotment of shares pursuant to exercise of employee stock options under ESOS-11. | 11,06,30,453 |
| June 15, 2018 | 8,200 | 5 | 5 | Cash | Allotment of shares pursuant to exercise of employee stock options under ESOS-11. | 11,06,38,653 |
| July 17, 2018 | 12,800 | 5 | 5 | Cash | Allotment of shares pursuant to exercise of employee stock options under ESOS-11. | 11,06,51,453 |
| October 1, 2018 | 34,750 | 5 | 5 | Cash | Allotment of shares pursuant to exercise of employee stock options under ESOS-11. | 11,06,86,203 |
| June 4, 2019 | 18,800 | 5 | 5 | Cash | Allotment of shares pursuant to exercise of employee stock options under ESOS-11. | 11,07,05,003 |
| September 10, 2019 | 30,000 | 5 | 5 | Cash | Allotment of shares pursuant to exercise of employee stock options under ESOS-11. | 11,07,35,003 |
| September 23, 2020 | 21,950 | 5 | 5 | Cash | Allotment of shares pursuant to exercise of employee stock options under ESOS-11. | 11,07,56,953 |

| Date of allotment | Number of equity shares allotted | Face value per equity share (₹) | Issue price per equity share (₹) | Nature of consideration | Reasons / nature of allotment | Cumulative number of equity shares |
|---|---|---|---|---|---|---|
| December 16, 2020 | 20,000 | 5 | 5 | Cash | Allotment of shares pursuant to exercise of employee stock options under ESOS-11. | 11,07,76,953 |
| March 9, 2021 | 4,200 | 5 | 5 | Cash | Allotment of shares pursuant to exercise of employee stock options under ESOS-11. | 11,07,81,153 |
| August 17, 2021 | 23,600 | 5 | 5 | Cash | Allotment of shares pursuant to exercise of employee stock options under ESOS-11. | 11,08,04,753 |
| October 18, 2021 | 10,750 | 5 | 5 | Cash | Allotment of shares pursuant to exercise of employee stock options under ESOS-11. | 11,08,15,503 |
| March 28, 2022 | 33,244,650 | 5 | 225 | Cash | Allotment pursuant to issue of rights shares in the ratio of 3:10 i.e. 3 equity shares for every 10 equity shares held. | 14,40,60,153 |
| February 6, 2023 | 28,170 | 5 | 5 | Cash | Allotment of shares pursuant to exercise of employee stock options under ESOS-11. | 14,40,88,323 |
| May 5, 2023 | 6,250 | 5 | 5 | Cash | Allotment of shares pursuant to exercise of employee stock options under ESOS-11. | 14,40,94,573 |
| October 25, 2023 | 6,900 | 5 | 5 | Cash | Allotment of shares pursuant to exercise of employee stock options under ESOS-11. | 14,41,01,473 |
| **Allotments in the one year immediately preceding this Preliminary Placement Document** | | | | | | |
| January 19, 2024 | 14,300 | 5 | 5 | Cash | Allotment of shares pursuant to exercise of employee stock options under ESOS-11. | 14,41,15,773 |
| March 26, 2024 | 92,85,163 | 5 | 517 | Cash | Qualified institutions placement under Chapter VI of SEBI ICDR Regulations by the Company on a private placement basis to eligible QIBs. | 15,34,00,936 |
| August 26, 2024 | 8,610 | 5 | 5 | Cash | Allotment of shares pursuant to exercise of employee stock options under ESOS-11. | 15,34,09,546 |
| October 15, 2024 | 13,000 | 5 | 5 | Cash | Allotment of shares pursuant to exercise of employee stock options under ESOS-11. | 15,34,22,546 |

**For details, see "Risk Factor - Our Company is unable to trace certain documents pertaining to historical secretarial information." on page* 67.

Except as stated in "**– *Equity share capital history of our Company***" above, our Company has not made any allotment of Equity Shares in the one year immediately preceding the date of this Preliminary Placement Document, including for consideration other than cash, or made any allotment of Equity Shares pursuant to a preferential issue, private placement or a rights issue.

**Preference share capital history of our Company**

Our Company does not have any issued or outstanding preference share capital as on the date of this Preliminary Placement Document.

**Employee Stock Option Plan**

Pursuant to a Board resolution dated August 9, 2011, and Shareholders' resolution dated September 12, 2011, our Company instituted an employee stock option scheme, namely, Wockhardt Employee Stock Option Scheme- 2011 ("**ESOS-2011**"), to grant, offer, issue and allot any time to or to the benefit of such persons(s) who are permanent employees (present or future) of the Company and Directors, as may be decided by the Board under ESOS-2011. Options not exceeding 2,500,000 were made available for being granted to eligible employees under ESOS-2011, with each option being exercisable to receive one Equity Share each. ESOS-2011 is compliant with the SEBI SBEB Regulations.

The details of ESOS-2011, as on the date of this Preliminary Placement Document, are as under:

| Scheme | Options granted (A) | Exercise Price per option | Options vested (B) | Options unvested | Options exercised | Options lapsed / forfeited before vesting (C) | Options lapsed / forfeited after vesting | Options pending for exercise (D) | Options outstanding (E) = (A)-(B)-(C)+D | Lapsed options re-issued |
|---|---|---|---|---|---|---|---|---|---|---|
| ESOS 2011 | 23,80,000 | 5 | 18,22,800 | 60,900 | 13,88,830 | 5,04,350 | 2,83,025 | 8,050 | 1,50,945 | 1,50,945 |
| ESOS 2011 | 60,000 | 365 | 60,000 | - | - | - | 60,000 | - | - | - |
| ESOS 2011 | 60,000 | 397 | 60,000 | - | 55,000 | - | 5,000 | - | - | - |

**Proposed Allottees in the Issue**

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made at the sole discretion of our Company in consultation with the BRLM to Eligible QIBs. The names of the proposed Allottees and the percentage of the post-Issue Equity Share capital that may be held by them will be included in the Placement Document, in the section titled "***Details of Proposed Allottees***" on page 351.

**Pre-Issue and post-Issue Equity Shareholding Pattern**

The following table provides the pre-Issue shareholding pattern as of November 6, 2024, and the post-Issue shareholding pattern:

| S. No. | Category | Pre-Issue (as on November 5, 2024)# | | Post-Issue | |
|---|---|---|---|---|---|
| | | Number of Equity Shares held | % of shareholding | Number of Equity Shares held | % of shareholding |
| A. | **Promoters' holding*** | | | | |
| 1. | *Indian promoters* | | | | |
| | Individual | 11,80,151 | 0.76 | [●] | [●] |
| | Bodies corporate | 7,85,78,797 | 51.21 | [●] | [●] |
| | **Sub-total** | 7,97,58,948 | 51.98 | [●] | [●] |
| 2. | *Foreign promoters* | 0 | 0 | [●] | [●] |
| | **Sub-total (A)** | 7,97,58,948 | 51.98 | [●] | [●] |
| B | **Non-Promoter holding** | | | [●] | [●] |
| 1. | *Institutional investors* | 1,80,12,414 | 11.74 | [●] | [●] |
| 2. | *Central Government/President of India* | 29,540 | 0.01 | [●] | [●] |
| 3. | *Non-Institutional investors* | | | | |
| | Private corporate bodies | 55,14,154 | 3.59 | [●] | [●] |
| | Directors, KMPs and relatives | 13,001 | 0.00 | [●] | [●] |
| | IEPF | 3,08,503 | 0.20 | [●] | [●] |
| | Indian public | 4,44,13,774 | 28.94 | [●] | [●] |
| | Non-Resident Indians (NRIs) | 22,49,566 | 1.46 | [●] | [●] |
| | Any other | 31,22,646 | 2.03 | [●] | [●] |
| | **Sub-total (B)** | 7,36,63,598 | 48.01 | [●] | [●] |
| C. | **Non-Promoter-Non-Public holding** | 0 | 0.00 | [●] | [●] |
| | **Sub-total (C)** | 0 | 0.00 | [●] | [●] |
| | **Grand Total (A+B+C)** | 15,34,22,546 | 100.00 | [●] | [●] |

** Includes shareholding of the members of the Promoter Group.*

**Other confirmations**

1. The Promoters, the Directors, the Key Managerial Personnel and members of the Senior Management of our Company do not intend to participate in the Issue. Since the Issue is only made to Eligible QIBs, our Promoters, Directors or members of the Senior Management (including 'key managerial personnel' under the Companies Act, 2013) are not eligible to subscribe in the Issue.

2. There would be no change in control in our Company consequent to the Issue.

3. Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of the Issue. Further, Equity Shares allotted pursuant to this Issue cannot be sold by the Allottees for a period of one year from the date of Allotment, except on the Stock Exchanges.

4. Except as disclosed herein, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of this Preliminary Placement Document.

5. Our Equity Shares have been listed for a period of at least one year prior to the date of the issuance of the notice of the annual general meeting of our Shareholders dated June 28, 2024, for approving the Issue.

## DIVIDENDS

The declaration and payment of dividends by our Company is governed by applicable provisions of the Companies Act, 2013 and our Articles of Association. Our Board has approved and adopted a formal dividend distribution policy on January 24, 2017, in terms of Regulation 43A of the SEBI Listing Regulations. For further information, please see the section titled "***Description of the Equity Shares***" on page 250.

Our Company has not declared any dividend on the Equity Shares for the three months ended June 30, 2024, and for Fiscals 2022, 2023 and 2024. Further there are no dividends that have been declared but are yet to be paid out by our Company for Fiscal 2024 until the date of this Preliminary Placement Document.

**Future Dividends**

The amounts paid as dividends in the past are not necessarily indicative of the dividend distribution policy of our Company or dividend amounts, if any, in the future. The form, frequency and amount of future dividends declared by our Company will depend on a number of internal and external factors, including, but not limited to, capital requirements, earnings, contractual restrictions, availability of adequate profits, investments in subsidiaries, business expansion plans, diversification of business, requirement of long-term capital and overall financial position of our Company, uncertainty in the economic conditions, change in provision of income-tax or other applicable taxes, volatility in the capital markets and applicable statutory and legal restrictions and any other relevant factors that the Board may deem fit to consider before declaring dividend.

The Equity Shares to be issued in connection with this Issue shall qualify for all dividends, including interim dividend, if any, that is declared in respect of the fiscal in which they have been allotted.

Please also see the sections titled "***Taxation***" and "***Risk Factors***" on pages 253 and 45, respectively.

Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion in conjunction with our Audited Financial Statements and the Unaudited Consolidated Financial Results. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are to the 12-month period ended March 31 of that year. Financial information for the three months ended June 30, 2024 is not annualized and not indicative of full year results and is not comparable with annual financial statements presented in this Preliminary Placement Document.*

*Our Audited Financial Statements and the Limited Review Financial Statements have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013, read with the Rule 3 of the Companies (India Accounting Standards) Rules, 2015. Ind AS differs in certain respects from IFRS and U.S. GAAP and other accounting principles with which prospective investors may be familiar. Accordingly, the degree to which financial statements included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited. This discussion contains forward – looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under "Forward looking Statements" and "Risk Factors" on pages 16 and 45, respectively. Industry and market data used in this section are derived from the CRISIL Report, which was commissioned by our Company exclusively for the purpose of this Issue. CRISIL is not related in any manner to our Company, its Subsidiaries, Directors, Key Managerial Personnel, members of Senior Management or the Promoters. For more details, see "Industry and Market Data" beginning on page 15. For risks in relation to CRISIL Report, see "Risk Factors – Third party data in this Preliminary Placement Document may be incomplete or unreliable." on page 70.*

### Overview

We are among the key research-based global pharmaceutical companies based in India in terms of R&D spends as a percentage of revenue (*CRISIL Report*). We are engaged in the research and development, manufacture and distribution of pure and branded generics, vaccines, biosimilars, active pharmaceutical ingredients ("**APIs**"), as well as new chemical entity ("**NCE**") antibiotics targeting antimicrobial resistance ("**AMR**").

We have three key revenue streams, namely, biotechnology, NCEs and generics. Set out below are the details of our key revenue streams, along with their contribution to our revenue from operations, for the last three financial years and three months ended June 30, 2024 and June 30, 2023:

| Category | For the year ended March 31, | | | | | | For the three months period ended | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | | June 30, 2023 | | June 30, 2024 | |
| | in ₹ crores | % of revenue from operations | in ₹ crores | % of revenue from operations | in ₹ crores | % of revenue from operations | in ₹ crores | % of revenue from operations | in ₹ crores | % of revenue from operations |
| Biotechnology | 430 | 13.3 | 421 | 15.9 | 482 | 17.2 | 83 | 12.8 | 138 | 18.7 |
| NCEs | 30 | 0.9 | 30 | 1.1 | 35 | 1.3 | 8 | 1.2 | 10 | 1.3 |
| Generics and Others* | 2,770 | 85.8 | 2,200 | 83.0 | 2,281 | 81.5 | 553 | 86.0 | 591 | 80.0 |
| **Total** | **3,230** | **100.0** | **2,651** | **100.0** | **2,798** | **100.0** | **644** | **100.0** | **739** | **100.0** |

** Includes vaccines.*

We have a global footprint with operations spread across approximately 45 countries as of June 30, 2024. For details of our revenues from India and international markets, please see "*Diversified product portfolio across multiple therapeutic segments with a global footprint*" on page 190.

We are also in the business of vaccine manufacturing and supply, supported by our long term supply arrangement with a global vaccine company. We also have long term arrangements with leading pharmaceutical companies for Miqnaf (Nafithromycin), Emrok and Emrok O and Methycobal in China, Russia and India, respectively.

We manufacture and distribute pharmaceutical products across acute therapeutic areas, such as pain management, cough, nutrition, steroids, anti-infective and acute dermatology, and chronic therapeutic areas, such as diabetes, nephrology, neuropsychiatry, chronic pain and chronic dermatology, as well as different drug delivery forms, including solids, injectables, biotechnology, liquids, nasal sprays and complex technologies.

We are focused on deepening our market share in chronic therapies, which typically involve medicines being prescribed over an extended period of time as opposed to once or for a limited period of time. Chronic therapeutic areas accounted for 39%, 47%, 48%, 48% and 47% of our total revenue from continuing operations for Fiscal 2022, 2023, 2024, and the three months period ended June 30, 2024 and June 30, 2023, respectively, as compared to acute therapeutic areas, which accounted for 51%,

47%, 46%, 45% and 43%, respectively, of our revenue from operations during the same periods. For further details of our revenue from our various therapeutic areas, please see "*Our Products*" on page 195.

For Fiscal 2022, 2023, 2024, and the three months period ended June 30, 2024 and June 30, 2023, biotechnology contributed 13%, 16%, 17%, 13% and 19% to our revenue from operations.

We have leveraged our established capabilities in manufacturing and distribution of pharmaceutical and biotechnology products to build innovative and multi-disciplinary research and development capabilities. Our research and development efforts have resulted in 3,265 patents filed and 842 patents held worldwide as of June 30, 2024. We have over 350 scientists with 63 PhDs and more than 132 associates in the drug discovery team across our two research and development centres (one R&D centre each in India and United Kingdom) and other locations as of June 30, 2024.

We have more than 25 years of experience in novel antibiotics research leading to end-to-end discovery and development capabilities. We launched two NCEs in India in June 2020, namely the Emrok and Emrok O antibiotics, against the treatment of acute bacterial skin and skin structure infections; including methicillin-resistant staphylococcus aureus ("**MRSA**") infections, which is a leading cause of AMR. Additionally, all six of our anti-bacterial NCEs, namely, Zaynich (WCK 5222), Miqnaf (Nafithromycin), EMROK (WCK 771), EMROK O (WCK 2349), Foviscu (WCK 4282) and Odrate (WCK 6777) have been granted the Qualified Infectious Disease Product ("**QIDP**") status by the US FDA, which provides for fast track clinical development process and priority review, coupled with a 5 year extension to market exclusivity (*CRISIL Report*).

- Based on market opportunity, we have also filed for market authorisation/registration for Emrok and Emrok O in some of the emerging markets including, Thailand, Philippines, Vietnam, Kenya, Tanzania, Nigeria and Uganda.
- We are developing Zaynich (WCK 5222) a β-lactam enhancer - a new class of antibiotic to treat Multi Drug Resistant/ Extensive Drug Resistant Gram-negative infections. It is currently under Global Phase III clinical study for cUTI indication for 528 patients and around 90% patients have been recruited so far.
- Nafithromycin (Miqnaf) -a broad spectrum lactone ketolide for Community Acquired Bacterial Pneumonia (CABP) and Upper Respiratory tract infections (URTI) is currently awaiting approval for manufacturing and marketing from DCGI for the Indian market.
- WCK 4282 (Foviscu) is undergoing Phase III clinical trials for complicated Urinary Tract Infections. This drug also has potential for HABP/VABP indication. WCK 6777 (Odrate) has completed Phase I clinical trial for complicated Urinary Tract Infections. The study was conducted in collaboration with National Institute of Health, USA.

With our current experience in novel antibiotics research, discovery and development capabilities, we believe that we are in a position to leverage to our advantage the need for AMR targeting drugs in the market. We have also extensive experience in biotechnology focused on antidiabetes biosimilars. We have developed & commercialized Recombinant Human Insulin and Insulin Glargine under Wosulin and Glargine brand name in India as well as emerging markets. Our end to end capabilities in development and commercialization of antidiabetes biosimilars positions us well to capture value in diabetes biosimilars market.

We have received US FDA approvals for 54 abbreviated new drug applications ("**ANDAs**") and 37 are pending approval as of June 30, 2024. For the years ended March 31, 2022, 2023, 2024, and the three months period ended June 30, 2023 and June 30, 2024, we invested ₹ 301 crores, ₹ 273 crores, ₹ 281 crores, ₹ 71 crores and ₹ 67 crores which contributed to 9%, 10%, 10%, 11% and 9%, respectively, of the total income towards expenditure on research and development.

We have also made significant investments in our manufacturing infrastructure to support the production of various products in our portfolio and regularly update and upgrade our facilities in line with regulatory requirements and in order to continue to drive efficiencies and quality in our business. As on the date of this Preliminary Placement Document, we have 12 manufacturing facilities, nine of which are located in India and one each in the United Kingdom, Ireland and the United Arab Emirates. Our Wockhardt Biotech Park in Chhatrapati Sambhajinagar, India has dedicated units for manufacturing APIs, biosimilars, recombinant formulations and our diabetes portfolio. Our fully automated lyophilisation unit in Chhatrapati Sambhajinagar is able to produce lyophilized injection dosage forms that are used to improve the bioavailability, stability, solubility and patient compliance.

**Principal Factors Affecting Our Financial Condition and Results of Operations**

***Competition in the pharmaceutical industry***

Our pharmaceutical products face intense competition from products developed by other companies in India and overseas. Our products typically compete on the basis of price, efficacy and general market acceptance. Our business, prospects, results of operations and financial condition could be adversely affected if our competitors gain significant market share at our expense in areas in which we are focused. Our ability to continue to generate revenue from our products is impacted by the launch of competitive products by our competitors. An increased competition in a product market, may lead to reduction in the price we

could command for such product which in turn may adversely impact our revenue from operations. Our ability to continue to increase our revenue from operations is dependent on our ability to continue to launch new products and to successfully identify new markets for expansion. Further, our competition may have access to greater financial resources and expertise dedicated towards research and development. If our pharmaceutical products become uncompetitive, and we are unable to effectively introduce new products, our business and results of operations could be adversely affected.

In addition, we must adapt to rapid changes in our industry due to technological advances and scientific discoveries. Although we strive to keep our technology, facilities and machinery current with the latest international standards, the technologies, facilities and machinery we currently employ may become obsolete. The cost of implementing new technologies, upgrading our manufacturing facilities and retaining our research staff could be significant and could adversely affect our profitability.

***Pharmaceutical regulatory framework in India and global markets***

We operate in a highly regulated sector and we have to comply with extensive regulation in each market we operate to obtain necessary approvals to manufacture, sell and/or market our products. We must ensure that government and other regulatory agencies do not withdraw marketing approvals for sales of our existing products and continue to approve our new products for sale in a timely manner and our manufacturing facilities remain approved by the relevant regulators.

We are governed by various local, regional and national regulatory regimes in various aspects of our operations, including licensing and certification requirements and procedures for manufacturers of pharmaceutical products, operating and safety standards, as well as environmental protection regulations. There can be no assurances that the legal framework, licensing and certification requirements or enforcement trends in our industry will not change in a manner that does not result in increased costs of compliance, or that we will be successful in responding to such changes. In addition, we are subject to the risk of adverse changes to favourable policies from which we currently benefit, and the introduction of unfavourable policies.

***R&D and innovation efforts and growth of our new products***

Our business model focuses on building a pipeline in various therapies targeted at both emerging markets and more regulated markets. Accordingly, our business depends to a significant degree on our ability to be successful in our research and development efforts. Research and development is both time consuming and costly, and involves a high degree of business risk. To develop our product pipeline, we commit substantial time, funds and other resources. In addition, our research staff is critical to the success of our research and development efforts. Our investments in research and development for future products could result in higher expenses without a proportionate increase in revenues. We have incurred ₹ 301 crores, ₹ 273 crores, ₹281 crores, ₹ 71 crores and ₹ 67 crores in Fiscal 2022, 2023, 2024 and for the three-months period ended June 30, 2023 and June 30, 2024 towards expenditure on research and development, which contributed to 9%, 10%, 10%, 11% and 9% of our total income.

Further, six of our programs have been granted the QIDP status by US FDA denoting unmet needs, faster trials and quicker approvals by the US FDA. We also have API development team focused on developing and filing our Drug Master Files ("**DMFs**") with the US FDA and regulators in other markets. In Fiscal 2022, 2023, 2024 and for the three months period ended June 30, 2023 and June 30, 2024, we invested 9%, 10%, 10%, 11% and 9%, respectively, of our total income towards expenditure on research and development.

Our ability to develop and manufacture products is critical to launch new products and grow revenues. Our research and development efforts have resulted in 3,265 patents filed and 842 patents held worldwide as of June 30, 2024. To grow our product portfolio, we need to continually invest in research and development to add to our existing offering and improve our technology.

***Success of the New Chemical Entry ("NCE") Business***

We are engaged in the research and development, manufacture and distribution of pure and branded generics, vaccines, biosimilars, active pharmaceutical ingredients ("**APIs**"), as well as new chemical entity ("**NCE**") antibiotics targeting antimicrobial resistance ("**AMR**"). In June 2020, we also divested a part of our domestic branded business as part of our efforts to shift from acute therapeutic areas to more chronic segments, as well as to focus on our NCE antibiotic portfolio. Results of such trials will have a significant impact on our financial operation. Chronic therapies are a growing focus of our business, accounting for 39%, 47%, 48%, 48% and 47% of our revenue from operations in Fiscal 2022, 2023 and 2024 and for the three-months period ended June 30, 2023 and June 30, 2024, respectively. The results of our operations and financial condition will depend on the success of our NCEs.

***Foreign Currency Fluctuations***

Changes in currency exchange rates influence our results of operations. Although we prepare and report our consolidated financial statements in Rupees, significant portions of our income and expenditure are denominated in currencies other than Rupees, most significantly the U.S. Dollar, Euro and British Pound. Any adverse foreign exchange rate movement of the U.S. Dollar, Euro or British Pound or emerging market currencies against the Rupee could affect our profitability.

**Key Performance Indicators and Certain Non-GAAP Measures**

Set forth below are our key performance indicators for the periods indicated:

*(₹ in crores, unless otherwise stated)*

| Particulars | March 31, 2022 | March 31, 2023 | March 31, 2024 | Three months period ended June 30, 2023* | Three months period ended June 30, 2024* |
|---|---|---|---|---|---|
| Revenue from operations | 3,230 | 2,651 | 2,798 | 644 | 739 |
| Net Loss after tax | (279) | (621) | (472) | (136) | (16) |
| Adjusted EBITDA | 318 | 223 | 122** | 30 | 121 |
| PAT Margin (%) | (9%) | (23%) | (17%) | (21%) | (2%) |

** Not annualised.*

*** The amount reported as Adjusted EBITDA in Fiscal 2024, is lower due to an impairment loss on asset held for sale of ₹ 79 crores and loss on sale of property, plant and equipment of ₹ 52 crores recognized during the year.*

*(₹ in crores, unless otherwise stated)*

| Particulars | March 31, 2022 | March 31, 2023 | March 31, 2024 |
|---|---|---|---|
| Total equity | 4,202 | 3,662 | 3,662 |
| Total borrowings | 1,862 | 1,887 | 2,112 |
| Cash and cash equivalents | 370 | 90 | 505 |
| Bank balances (other than cash and cash equivalent) | 36 | 34 | 24 |
| Net Debt to Equity Ratio | 0.35 | 0.48 | 0.43 |

For a reconciliation of Adjusted EBITDA, PAT Margin and Net Debt to Equity Ratio, please see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Reconciliation of Non-GAAP measures*" on page 116.

**Significant Accounting Policies**

Our Significant Accounting Policies for the financial year ended March 31, 2024 and as at March 31, 2024 are described in the section entitled "Notes to Consolidated Financial Statements". There was no change in the Significant Accounting Policies during the three months period ended June 30, 2024.

Key accounting policies that are relevant and specific to our business and operations are described below:

**Basis for preparation of financial statements**

**A. Statement of compliance**

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

**B. Functional and Presentation Currency**

These consolidated financial statements are presented in Indian rupees (₹), which is the functional currency of the parent Company and the currency of the primary economic environment in which the parent Company operates. All the amounts have been rounded off to the nearest crores except per share data.

**C. Basis of preparation of consolidated financial statements.**

These consolidated financial statements have been prepared on accrual basis under the historical cost convention except for the following material items in the statement of financial position:

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

*Convenience translation*

The accompanying financial statements have been prepared in Indian rupees ("₹"), the national currency of India and the functional currency of the Company. The translation of the Indian rupees amounts to US dollars is included solely for the convenience of the reader. The financial statements as of March 31, 2024 and March 31, 2023 have been translated into United States dollars at the closing rate USD 1 = ₹ 83.3599 as on March 31, 2024 (March 31, 2023: USD 1 = ₹ 82.2090) as published by third party website providing market information on exchange rates.

No representation is made that the Indian rupee amounts have been, could have been or could be converted into United States dollars at such a rate or any other rate, or at all.

*Going Concern*

The Group has incurred a loss in the current year and the current liabilities exceed current assets and assets held for sale by ₹ 607 crore. Of these current liabilities, ₹ 218 crores pertain to loans received from companies controlled by the Promoters ('Promoter entities'). These Promoter entities have reaffirmed their commitment and confirmed that they will not recall the loans provided to the Company, unless the Company confirms that it has adequate surplus liquidity available and Promoter entities have confirmed to provide required financial support to the Company to repay the liabilities of the Company. Company also has access to undrawn borrowing facilities from certain lenders. Considering the support from Promoter entities, undrawn borrowing facilities, expected cash inflows from ongoing business operations and from sale of surplus assets classified as held for sale, the Company is confident of repayment of liabilities as and when they fall due and accordingly the Company has prepared the financial statements on a going concern basis. Further, subsequent to year end, the terms of borrowings of ₹ 889 crore which had a repayment date of May 25, 2025 has been further extended upto May 25, 2027 with an option to the Company to further renew the loan basis Company's assessment of cash flows and liquidity position on that date.

**D. Basis of consolidation**

*Subsidiaries*

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

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

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

*Transactions eliminated on consolidation*

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

**E. Use of Estimates and Judgments**

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized 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 recognized in these consolidated financial statements.

*(a) Judgement*

*(i) Right of use assets:*

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

*(ii) Impairment of trade receivables:*

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

*(iii) Estimation of useful life:*

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

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

*(b) Estimates*

*(i) Legal, tax and other disputes:*

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

*(ii) 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.

*(iii) Sales return and rebates:*

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

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

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

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

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

*(iv) Current tax and deferred tax:*

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

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

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

*(v) Provision for inventory:*

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

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

Property, plant & equipment and old capital work in progress is assessed for recoverability based on management's utilization plans, technical assessment of current condition of the underlying assets. Company does a periodic physical verification and inspection of these assets using internal and external experts to determine the condition and usability of these assets. The Company also determine the recoverable value of CGU's basis the estimated future cash flows for assessment of potential impairment.

*(vii) Intangible asset under development:*

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

*(viii) Goodwill:*

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

## 1. SIGNIFICANT ACCOUNTING POLICIES:

### a) Property, Plant and Equipment and Depreciation

*I. Recognition and Measurement*

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:

- it is probable that future economic benefits associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

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

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

*II. Subsequent expenditure*

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

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

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

*III. Depreciation and amortisation*

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

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

| Assets | Estimated useful life | Estimated useful life as per Schedule II |
|---|---|---|
| Leasehold land | Over the period of lease | |
| Buildings | 10 - 61 years | 30 – 60 years |
| Plant and Equipment | 4 - 21 years | 10 – 20 years |
| Furniture and Fixtures | 6 - 20 years | 8 – 10 years |
| Office Equipments | 4 - 20 years | 15 years |
| Information Technology Equipments | 3 – 20 years | 3 – 6 years |
| Vehicles | 5 years | 6 – 10 years |

Freehold land is not depreciated

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

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

b) **Intangible assets**

*I. Recognition and Measurement*

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

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

*II. Subsequent Expenditure*

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

*III. Amortisation*

Intangible assets are amortised over their estimated useful life on Straight Line Method. The estimated useful lives followed by the Group is as follows:

| Assets | Estimated useful life |
|---|---|
| Brands / Trademarks / Technical know how | 3 – 15 years |
| Computer software | 3 – 10 years |

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

c) **Research and Development**

Research costs are expensed as incurred.

Development expenditure incurred on an individual project is carried forward when it meets the conditions of development phase under Ind AS 38 'Intangible Assets' and it can be demonstrated that intangible asset under development will generate probable future economic benefits. Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

The carrying value of development costs is reviewed for impairment when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

d) **Impairment of Non-financial assets**

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

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

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

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

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

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

e) **Foreign Currency Transactions / Translations:**

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

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

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

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

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

vi) The assets and liabilities of foreign operations (subsidiaries, branches), including goodwill and fair value adjustments arising on acquisition, are translated into ₹ at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into ₹ at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

f) **Financial Instruments**

*I. Financial assets*

*(i) Classification of financial assets*

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

*Debt instruments at amortised cost:*

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

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

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

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

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

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

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

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

*Equity investments:*

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

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

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

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

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

Interest income is recognized with reference to Effective Interest Rate Method.

*Derivative financial instruments:*

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

*(ii) Initial recognition and measurement*

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

Trade receivables are carried at original transaction price as the sales arrangements do not contain any significant financing component.

*(iii) Derecognition of financial assets*

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

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

*(iv) Impairment of financial assets*

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

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

b) Trade receivables.

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

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

*II. Financial Liabilities and equity instruments*

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

*(i) Equity instruments:*

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

*(ii) Financial liabilities: - Classification:*

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

*(iii) Initial recognition and measurement:*

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

*(iv) Derecognition:*

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

*III. Fair value*

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

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

(b) Level 2: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include

discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions. For example, the fair value of forward exchange contracts, currency swaps and interest rate swaps is determined by discounting estimated future cash flows using a risk-free interest rate.

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

*IV. Offsetting of financial instruments*

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

g) **Business combinations**

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

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

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

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

v) 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.

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

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

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

h) **Income tax**

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

*Current tax*

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured at the amount expected to be

recovered from or paid to the taxation authorities using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends if any.

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

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

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

*Deferred tax*

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

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

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

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

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

Deferred tax assets and liabilities are offset only if:

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

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

i) **Inventories**

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

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

The comparison of cost and net realisable value is made on an item-by-Item basis.

Inventories of stores and spare parts are valued at cost.

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

j) **Revenue Recognition**

*Sale of goods*

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

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. The timing of the transfer of control varies depending on the individual terms of the sales agreements.

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

The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract.

*Sale of Services, Outlicensing fees, sale of intellectual property*

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

*Export Incentive*

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

*Insurance claims*

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

Deferred revenue

Deferred revenue shall be recognized against the advances received from customers as and when the control over goods are transferred or services are rendered to the buyer.

k) **Employee Benefits**

*Short term employee benefits*

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

*Defined contribution plans*

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

*Defined benefit plans*

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

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

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

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

*Other long-term employee benefits*

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

l) **Share-based payment transactions**

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

m) **Leases**

*The Group as a lessee*

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

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

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

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

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

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

*The Group as a lessor*

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

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

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

n) **Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions are discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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

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

o) **Borrowing costs**

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

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

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

p) **Government Grants**

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

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

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

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

q) **Non-current assets held for sale**

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

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

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

r) **Earnings per share**

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

s) **Segment reporting**

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

t) **Cash Flow statement**

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

u) **Operating cycle**

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

**Principal Components of Statement of Profit and Loss**

***Income***

Our total income comprises revenue from operations / continuing operations, and other income.

*Revenue from operations*

Our revenue from operations / continuing operations, primarily includes (i) sale of products, (ii) sale of services, (iii) sale of intellectual property and (iv) other operating income including export incentives / cost recovery. We generate majority of our income through sale of products.

*Other income*

Our other income primarily includes (i) interest income, (ii) dividend received, (iii) net exchange fluctuation gain and (iv) other non-operating income such as profit on sale of properties and liabilities which are no longer required to be written back.

***Expenses***

Our total expenses / expenses from continuing operations include:

- cost of materials consumed, purchases of Stock-In-Trade, and changes in inventories of finished goods, work-in-progress and Stock-in-Trade, (which are collectively referred to as "**Cost of Goods Sold**"); and

- employee benefits expense (which include salaries and wages, contribution to provident and other funds, share based payments to employees and staff welfare expenses), finance costs (which include interest expenses on term loan, lease liabilities and others, other borrowing costs and net loss on foreign currency transactions and translation), depreciation and amoritsation expense (which includes property, plant and equipment and intangible assets), and other expenses (which includes travelling and conveyance, freight and forwarding charges, sales promotion and other selling cost, commission on sales, power and fuel, stores and spare parts consumed, chemicals, rents and amenity charges, rates and taxes, repairs to buildings, repairs to plant and machinery, repairs and maintenance – others, insurance, legal and professional fees, director's sitting fees, allowance for expected credit loss / bad debts provision and miscellaneous expenses.)

**Reconciliation of non-GAAP measures**

*(a) Reconciliation of Net Worth*

*(₹ in crore)*

| Particulars | As at March 31, | | |
|---|---|---|---|
| | 2022 | 2023 | 2024 |
| Equity share capital (a) | 72 | 72 | 77 |
| Other Equity (b) | 3,777 | 3,282 | 3,282 |
| Non - Controlling Interests (c) | 353 | 308 | 303 |
| **Net Worth (d)= (a)+(b)+(c)** | **4,202** | **3,662** | **3,662** |

*(b) Reconciliation of Adjusted EBITDA*

*(₹ in crore)*

| Particulars | For Fiscal | | | For the period ended June 30, | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2023 | 2024 |
| Loss before exceptional items and tax (a) | (228) | (330) | (406) | (104) | (6) |
| Finance Cost (b) | 299 | 302 | 305 | 79 | 73 |
| Depreciation and amortisation expense (c) | 247 | 251 | 223 | 55 | 54 |
| **Adjusted EBITDA (d)= (a)+(b)+(c)** | **318** | **223** | 122 | 30 | 121 |

*(c) Reconciliation of PAT Margin*

*(₹ in crore)*

| Particulars | March 31, 2022 | March 31, 2023 | March 31, 2024 | Three months period ended June 30, 2023* | Three months period ended June 30, 2024* |
|---|---|---|---|---|---|
| Revenue from operations (a) | 3,230 | 2,651 | 2,798 | 644 | 739 |
| Net Loss after tax ("**PAT**") (b) | (279) | (621) | (472) | (136) | (16) |
| PAT Margin (%) (c)= (b)/(a) | (9%) | (23%) | (17%) | (21%) | (2%) |

**Not annualised*

*(d) Reconciliation of Net Debt to Equity Ratio*

*(₹ in crore)*

| Particulars | March 31, 2022 | March 31, 2023 | March 31, 2024 |
|---|---|---|---|
| Total equity (a) | 4,202 | 3,662 | 3,662 |
| Total borrowings (b) | 1,862 | 1,887 | 2,112 |
| Cash and cash equivalents (c) | 370 | 90 | 505 |
| Bank balances (other than cash and cash equivalent) (d) | 36 | 34 | 24 |
| Net Debt to Equity Ratio (e) = [(b)-(c)-(d)]/(a) | 0.35 | 0.48 | 0.43 |

**Results of Operations Based on Our Financial Statements**

The following table sets forth select financial data from our statement of profit and loss for the three month period ended June 30, 2023 and June 30, 2024, the components of which are also expressed as a percentage of total income for such periods.

| Sr. No | Particulars | For the Three months period ended June 30, 2023 | | For the Three months period ended June 30, 2024 | |
|---|---|---|---|---|---|
| | | (₹ in crore) | (As a % of total income) | (₹ in crore) | (As a % of total income) |
| **1** | **Income** | | | | |
| | (a) Revenue from operations | 644 | 97.87% | 739 | 96.10% |
| | (b) Other income | 14 | 2.13% | 30 | 3.90% |
| | **Total income** | **658** | **100.00%** | **769** | **100.00%** |
| **2** | **Expenses** | | | | |
| | (a) Cost of materials consumed | 137 | 20.82% | 150 | 19.51% |
| | (b) Purchase of stock-in-trade | 150 | 22.80% | 153 | 19.90% |
| | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | (5) | (0.76)% | 10 | 1.30% |
| | (d) Employee benefits expense | 154 | 23.40% | 160 | 20.81% |
| | (e) Finance costs | 79 | 12.01% | 73 | 9.49% |
| | (f) Depreciation and amortisation expense | 55 | 8.36% | 54 | 7.02% |
| | (g) Impairment of asset held for sale | - | 0.00% | - | 0.00% |
| | (h) Exchange fluctuation loss, net | 2 | 0.30% | 1 | 0.13% |
| | (i) Loss on sale of property, plant and equipment | - | 0.00% | - | 0.00% |
| | (j) Other expenses | 190 | 28.88% | 174 | 22.63% |
| | **Total expenses** | **762** | **115.81%** | **775** | **100.78%** |
| **3** | **Loss before exceptional items and tax (1-2)** | **(104)** | **(15.81)%** | **(6)** | **(0.78)%** |
| **4** | Exceptional items- charge | (14) | (2.13)% | - | 0.00% |
| **5** | **Loss after exceptional items and before tax (3 ± 4)** | **(118)** | **(17.93)%** | **(6)** | **(0.78)%** |
| **6** | Tax expense: | | 0 | | 0 |
| | Current tax - charge | 9 | 1.37% | 2 | 0.26% |
| | Tax pertaining to earlier years | - | 0.00% | - | 0.00% |
| | Deferred tax - charge/ (credit) - (Net) | 9 | 1.37% | 8 | 1.04% |
| **7** | **Net loss after tax (5 ± 6)** | **(136)** | **(20.67)%** | **(16)** | **(2.08)%** |
| | Attributable to: | | | | |
| | Equity Holders of the Company | (134) | (20.36)% | (14) | (1.82)% |

| Sr. No | Particulars | For the Three months period ended June 30, 2023 | | For the Three months period ended June 30, 2024 | |
|---|---|---|---|---|---|
| | | (₹ in crore) | (As a % of total income) | (₹ in crore) | (As a % of total income) |
| | Non - Controlling Interests | (2) | (0.30)% | (2) | (0.26)% |
| **8** | **Other Comprehensive Income** | - | 0 | - | 0 |
| | (a) Items that will not be reclassified to Profit or Loss - (charge)/ credit (consisting of re-measurement of net defined benefit (liability) / asset) | 1 | 0.15% | (0) | (0.03)% |
| | (b) Income tax relating to items that will not be reclassified to Profit or Loss - credit/(charge) | - | 0.00% | - | 0.00% |
| | (c) Items that will be reclassified to Profit or Loss - (charge)/ credit (Consisting of Exchange differences on translating the financial statements of foreign operations) | (2) | (0.30)% | (3) | (0.39)% |
| | (d) Other Comprehensive Income (net of tax) (a ± b ± c) | (1) | (0.15)% | (3) | (0.42)% |
| **9** | **Total Comprehensive Income (7 ± 8 (d))** | **(137)** | **(20.82)%** | **(19)** | **(2.50)%** |

The following table sets forth select financial data from our statement of profit and loss for and Fiscals 2024, 2023, 2022, the components of which are also expressed as a percentage of total income for such period.

| Sr. No | Particulars | March 31, 2024 | | March 31, 2023 | | March 31, 2022 | |
|---|---|---|---|---|---|---|---|
| | | (₹ in crore) | (As a % of total income) | (₹ in crore) | (As a % of total income) | (₹ in crore) | (As a % of total income) |
| **1** | **Income** | | | | | | |
| | (a) Revenue from operations | 2,798 | 97.12% | 3,230 | 99.38% | 2,651 | 95.60% |
| | (b) Other income | 83 | 2.88% | 20 | 0.62% | 122 | 4.40% |
| | **Total income** | **2,881** | **100.00%** | **3,250** | 100.00% | **2,773** | **100.00%** |
| **2** | **Expenses** | | | | | | |
| | (a) Cost of materials consumed | 620 | 21.52% | 612 | 18.83% | 518 | 18.68% |
| | (b) Purchase of stock-in-trade | 559 | 19.40% | 568 | 17.48% | 509 | 18.36% |
| | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | (14) | (0.49)% | 87 | 2.68% | 84 | 3.03% |
| | (d) Employee benefits expense | 629 | 21.83% | 749 | 23.05% | 637 | 22.97% |
| | (e) Finance costs | 305 | 10.59% | 299 | 9.20% | 302 | 10.89% |
| | (f) Depreciation and amortisation expense | 223 | 7.74% | 247 | 7.60% | 251 | 9.05% |
| | (g) Exchange fluctuation loss, net | 79 | 2.74% | - | 0.00% | - | 0.00% |
| | (h) Other expenses | - | 0.00% | 916 | 28.18% | 802 | 28.92% |
| | **Total expenses** | 52 | 1.80% | **3,478** | 107.02% | **3,103** | **111.90%** |
| **3** | **Loss before exceptional items and tax (1-2)** | 834 | 28.95% | **(228)** | (7.02)% | **(330)** | **(11.90)%** |
| **4** | **Exceptional items- charge** | **3,287** | **114.09%** | (183) | (5.63)% | (294) | (10.60)% |
| **5** | **Loss after exceptional items before tax (3 ± 4)** | **(406)** | **(14.09)%** | **(411)** | (12.65)% | **(624)** | **(22.50)%** |
| **6** | Tax expense: | (14) | (0.49)% | | | | |

| Sr. No | Particulars | March 31, 2024 | | March 31, 2023 | | March 31, 2022 | |
|---|---|---|---|---|---|---|---|
| | | (₹ in crore) | (As a % of total income) | (₹ in crore) | (As a % of total income) | (₹ in crore) | (As a % of total income) |
| | Current tax - charge | **(420)** | **(14.58)%** | 33 | 1.02% | 12 | 0.43% |
| | Tax pertaining to earlier years | | | 5 | 0.15% | | |
| | Deferred tax - charge/ (credit) - (Net) | 16 | 0.56% | (170) | (5.23)% | (15) | (0.54)% |
| **7** | **Net loss after tax (5 ±6)** | - | 0.00% | **(279)** | (8.58)% | **(621)** | **(22.39)%** |
| | Attributable to: | 36 | 1.25% | | | | |
| | Equity Holders of the Company | **(472)** | **(16.38)%** | (244) | (7.51)% | (559) | (20.16)% |
| | Non - Controlling Interests | | | (35) | (1.08)% | (62) | (2.24)% |
| **8** | **Other Comprehensive Income** | (463) | (16.07)% | | | | |
| | (a) Items that will not be reclassified to Profit or Loss - (charge)/ credit (consisting of re-measurement of net defined benefit (liability) / asset) | (9) | (0.31)% | (24) | (0.74)% | (12) | (0.43)% |
| | (b) Income tax relating to items that will not be reclassified to Profit or Loss - credit/(charge) | | | 5 | 0.15% | 3 | 0.11% |
| | (c) Items that will be reclassified to Profit or Loss - (charge)/ credit (Consisting of Exchange differences on translating the financial statements of foreign operations) | (9) | (0.31)% | (8) | (0.25)% | 87 | 3.14% |
| | (d) Other Comprehensive Income (net of tax) (a ± b ± c) | 1 | 0.03% | (27) | (0.83)% | 78 | 2.81% |
| **9** | **Total Comprehensive Income (7 ± 8 (d))** | 14 | 0.49% | **(306)** | (9.42)% | **(543)** | **(19.58)%** |

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**Three months period ended June 30, 2024 compared with the three month period ended June 30, 2023**

*Total Income:*

Our total income increased by 17% to ₹ 769 crores for the three months period ended June 30, 2024 from ₹ 658 crores for the three months period ended June 30, 2023 primarily due to increase in revenue from operations.

*Revenue from operations:*

Our revenue from operations increased by 15% to ₹ 739 crores for the three months period ended June 30, 2024 from ₹ 644 crores for the three months ended June 30, 2023 primarily due to exports in RoW markets, considerable growth in the sales of goods of our Subsidiaries, Wockhardt Bio AG and Wockhardt UK Limited. This was partially offset by a decrease in the sales of Wockhardt USA LLC. For details of our region-wise revenue, please see *Our Business – Competitive Strengths- Diversified product portfolio across multiple therapeutic segments with global footprint* on page 189.

*Other income:*

Our other income increased by 114% to ₹ 30 crores for the three months period ended June 30, 2024 from ₹ 14 crores for the three months ended June 30, 2023 primarily due to reversal adjustment of IndAS lease agreement.

*Total expenses:*

Our total expenses increased marginally by 2% to ₹ 775 crores for the three months period ended June 30, 2024 from ₹ 762 crores for three months period ended June 30, 2023. However, there is a decrease in total expenses as compared to total income of the respective years.

*Cost of Goods Sold:*

Our Cost of Goods Sold consists of cost of material consumed, purchase of stock in trade and changes in inventories of finished goods, work in progress and stock in trade. The Cost of Goods Sold increased by 11% to ₹ 313 crores for the three months period ended June 30, 2024 from ₹ 282 crores for the three months period ended June 30, 2023 due to higher production volumes.

*Employee benefits expense:*

Our employee benefits expense increased marginally by 4 % to ₹ 160 crores for the three months period ended June 30, 2024 from ₹ 154 crores for the three months period ended June 30, 2023 primarily due to reduction in salary and wages in our step down Subsidiary, Morton Grove Pharmaceuticals Inc on account of restructuring of the business in USA; and for our Subsidiary Wockhardt Bio AG on account of head count movement. This was offset by an increase in salary and wages of our subsidiaries, CP Pharmaceuticals Limited and Pinewood Laboratories Limited, attributable to changes in headcount and an appreciation of GBP and EURO.

*Finance costs:*

Our finance cost decreased by 8% to ₹73 crores for the three months period ended June 30, 2024 from ₹ 79 crores for the three months period ended June 30, 2023 primarily due to decrease in other borrowing costs in our Subsidiary, Pinewood Laboratories Limited due to revisions in repayment schedules.

*Depreciation and amortisation expense:*

Our depreciation and amortisation expense decreased marginally by 2% to ₹ 54 crores for the three months period ended June 30, 2024 from ₹55 crores for the three months period ended June 30, 2023 primarily due to sale of property, plant and equipment in our subsidiary, Morton Grove Pharmaceuticals Inc.

*Exchange fluctuation loss, net:*

Our exchange fluctuation loss decreased to ₹ 1 crore for the three months period ended June 30, 2024 due to fluctuation in foreign exchange rates

*Other expenses:*

Our other expenses decreased by 8% to ₹ 174 crores for the three months period ended June 30, 2024 from ₹ 190 crores for the three months period ended June 30, 2023 primarily due to write off of advances which were no longer recoverable. This was partially offset by saving in cost pursuant to the restructuring of business model in USA by closing down our manufacturing facility of our Subsidiary, Morton Grove Pharmaceuticals Inc.

*Current tax charge:*

Our current tax charge decreased by 78% to ₹2 crores for the three months period ended June 30, 2024 from ₹9 crores for the three months period ended June 30, 2023 primarily due to increase in profit before tax of our Subsidiaries, Pinewood Laboratories Limited and Wockhardt Bio ® LLC.

*Deferred tax charge:*

Our deferred tax charge decreased by 11% to ₹ 8 crores for the three months period ended June 30, 2024 from deferred tax charge of ₹ 9 crores for the three months period ended June 30, 2023 primarily due to the reversal of deferred tax assets in our Subsidiaries, CP pharmaceuticals Limited and Wockhardt Bio AG.

*Exceptional items charge / (credit):*

Our exceptional items charge was flat for the three months period ended June 30, 2024 as compared to ₹ 14 crores for the three months period ended June 30, 2023. This was on account of the provision for inventory of ₹ 14 crores for the three months period ended June 30, 2023.

*Net profit / (loss) after tax:*

As a result of the foregoing, the net loss after tax for the period attributable to the equity holders of our Company decreased by 88% to ₹ 16 crores for the three months period ended June 30, 2024 from ₹ 136 crores for the three months period ended June 30, 2023.

***Fiscal 2024 compared to Fiscal 2023***

*Total Income:*

Our total income increased by 4% to ₹ 2,881 crores for the year ended March 31, 2024 from ₹ 2,773 crores for the year ended March 31, 2023, primarily due to an increase in revenue from operations.

*Revenue from operations:*

Our revenue from operations increased by 6% to ₹ 2,798 crores for the year ended March 31, 2024 from ₹ 2,651 crores for the year ended March 31, 2023, primarily due to an increase in sales by our subsidiaries, Wockhardt Bio AG, Pinewood Healthcare, Wockhard UK and our Company.

*Other income:*

Our other income decreased by 32% to ₹ 83 crores for the year ended March 31, 2024 from ₹ 122 crores for the year ended March 31, 2023, primarily due to exchange fluctuation gain, net of ₹ 80 crores for the year ended March 31, 2023 as compared to ₹ 2 crores for the year ended March 31, 2024. Foreign exchange gain for the year ended March 31, 2023 was on account of an appreciation of USD, GBP and EURO. We also had a profit on sale of properties of ₹ 29 crores during the year ended March 31, 2023 which was nil during the year ended March 31, 2024.

*Total expenses:*

Our total expenses increased by 6% to ₹ 3,287 crores for the year ended March 31, 2023 from ₹ 3,103 crores for the year ended March 31, 2022. Further, the total expenses as compared to the total income increased from 111.90% in Fiscal 2023 to 114.09% in Fiscal 2024.

*Cost of Goods Sold:*

Our Cost of Goods Sold consist of cost of material consumed, purchase of stock in trade and changes in inventories of finished goods, work in progress and stock in trade. The Cost of Goods Sold increased by 5% to ₹1,165 crores for the year ended March 31, 2024 from ₹ 1,111 crores for the year ended March 31, 2023 due to higher production volumes.

*Employee benefits expense:*

Our employee benefits expenses decreased marginally by 1% to ₹ 629 crores for the year ended March 31, 2024 from ₹ 637 crores for the year ended March 31, 2023, primarily due to a reduction in salary and wages in our Subsidiary, Morton Groove Pharmaceuticals Inc. on account of restructuring of the business in USA which was further offset by an increase in employee costs at our Subsidiaries, CP Pharmaceuticals Limited, Pinewood Healthcare, and Wockhardt Limited on account of head count movements.

*Finance costs:*

Our finance cost increased marginally by 1% to ₹ 305 crores for the year ended March 31, 2024 from ₹ 302 crores for the year ended March 31, 2023.

*Depreciation and amortisation expense:*

Our depreciation and amortisation expense decreased by 11% to ₹ 223 crores for the year ended March 31, 2024 from ₹ 251 crores for the year ended March 31, 2023, primarily due to sale of a plant in our Subsidiary, Morton Grove Pharmaceuticals Inc. and our Company which was partially offset by our Subsidiaries CP Pharmaceuticals and Pinewood Healthcare on account of capitalisation. The depreciation and amortisation expense compared to the total income decreased from 9.05% to 7.74%.

*Other expenses:*

Our other expenses increased by 4% to ₹ 834 crores for the year ended March 31, 2024 from ₹ 802 crores for the year ended March 31, 2023, primarily due to an increase in other expenses in Wockhardt Limited and Pinewood Healthcare which was partially offset by our Subsidiaries, Morton Grove Pharmaceuticals, Wockhardt USA and CP Pharmaceuticals.

*Current tax charge:*

Our current tax charge increased by 33% to ₹ 16 crores for the year ended March 31, 2024 from ₹ 12 crores for the year ended March 31, 2023. This was primarily due to an increase in current tax at Wockhardt Limited.

*Deferred tax charge:*

Our deferred tax charge increased by 340% to ₹ 36 crores for the year ended March 31, 2024 from a net deferred tax credit of ₹ 15 crores for the year ended March 31, 2023.

*Exceptional items charge / (credit):*

Our exceptional items charge decreased by 95% to ₹ 14 crores for the year ended March 31, 2024 from ₹ 294 crores for the year ended March 31, 2023. This was on account of write-off of Covid vaccine inventory in Wockhardt Limited during the year ended March 31, 2024; and provided/ incurred loss of ₹ 123 crores with respect to property, plant and equipment sold/ held for sale, ₹ 17 crores for inventory, ₹ 80 crores for claims incurred/ expected claims from customers, ₹ 13 crores for other costs pursuing to re-structuring of our business model in USA, provision of contract asset of ₹ 50 crores during the previous year ended March 31, 2023.

*Net Profit/ (loss) after tax:*

As a result of the foregoing, the net loss after tax for the year attributable to the equity holders of our Company decreased to ₹ 463 crores for the year ended March 31, 2024 from ₹ 559 crores for the year ended March 31, 2023.

***Fiscal 2023 compared to Fiscal 2022***

*Total Income:*

Our total income decreased by 15% to ₹ 2,773 crores for the year ended March 31, 2023 from ₹ 3,250 crores for the year ended March 31, 2022 primarily due to a decrease in revenue from operations.

*Revenue from operations:*

Our revenue from operations decreased by 18% to ₹ 2,651 crores for the year ended March 31, 2023 from ₹ 3,230 crores for the year ended March 31, 2022 primarily due to reduction in revenue from the fill and finish contract of the Covid 19 vaccine of our subsidiary, CP Pharmaceuticals Limited, and a decrease in sales in our subsidiary, Wockhardt USA LLC and our Company.

*Other income:*

Our other income increased to ₹ 122 crores for the year ended March 31, 2023 from ₹ 20 crores for the year ended March 31, 2022 primarily due to a foreign exchange gain of ₹ 80 crores for the year ended March 31, 2023. Foreign exchange gain for the year ended March 31, 2023 was on account of an appreciation of USD, GBP and EURO and profit on sale of properties.

*Total expenses:*

Our total expenses decreased by 11% to ₹ 3,103 crores for the year ended March 31, 2023 from ₹ 3,478 crores for the year ended March 31, 2022. However, the total expenses as compared to the total income increased from 107.02% to 111.90% in Fiscal 2023.

*Cost of Goods Sold:*

Our Cost of Goods Sold consist of cost of material consumed, purchase of stock in trade and changes in inventories of finished goods, work in progress and stock in trade. The Cost of Goods Sold decreased by 12% to ₹ 1,111 crores for the year ended March 31, 2023 from ₹ 1,267 crores for the year ended March 31, 2022 due to lower production volumes.

*Employee benefits expense:*

Our employee benefits expenses decreased by 15 % to ₹ 637 crores for the year ended March 31, 2023 from ₹ 749 crores for the year ended March 31, 2022 primarily due to a reduction in salary and wages in our subsidiary, Morton Groove Pharmaceuticals Inc. on account of restructuring of the business in USA, our subsidiaries, CP Pharmaceuticals limited and Wockhardt UK Limited on account of head count movements and depreciation of GBP.

*Finance costs:*

Our finance cost increased by 1% to ₹ 302 crores for the year ended March 31, 2023 from ₹ 299 crores for the year ended March 31, 2022 primarily due to an increase in notional interest cost attributed to financial liability payable towards Texas Medicaid as per the Ind AS in our subsidiary, Wockhardt USA LLC. This was offset by a decrease in the interest cost due to repayment of debt.

*Depreciation and amortisation expense:*

Our depreciation and amortisation expense increased by 2% to ₹ 251 crores for the year ended March 31, 2023 from ₹ 247 crores for the year ended March 31, 2022 primarily due to capitalisation which was partially offset by a decrease in our subsidiary, Morton Grove Pharmaceuticals Inc. due to sale of property, plant and equipment. However, the depreciation and amortisation expense compared to the total income increased from 7.60% to 9.05%.

*Other expenses:*

Our other expenses decreased by 12% to ₹ 802 crores for the year ended March 31, 2023 from ₹ 916 crores for the year ended March 31, 2022 primarily due to reduction in costs pursuant to the restructuring of business model in USA by closing down our manufacturing facility in Illinois.

*Current tax charge:*

Our current tax charge decreased by 68% to ₹ 12 crores for the year ended March 31, 2023 from ₹ 38 crores for the year ended March 31, 2022. This was primarily due to higher tax expense during the year ended March 31, 2022 on profit from the vaccine business of our subsidiary, CP Pharmaceuticals Limited.

*Deferred tax credit:*

Our deferred tax credit decreased by 91% to ₹ 15 crores for the year ended March 31, 2023 from ₹ 170 crores for the year ended March 31, 2022.

*Exceptional items charge / (credit):*

Our exceptional items charge increased by 61% to ₹ 294 crores for the year ended March 31, 2023 from ₹ 183 crores for the year ended March 31, 2022. This was on account of provision/ loss incurred of ₹123 crores with respect to property, plant and equipment sold/ held for sale, ₹ 17 crores for inventory, ₹ 80 crores for claims incurred/ expected claims from customers, ₹ 13 crores for other costs pursuing to re-structuring of our business model in USA, provision of contract asset of ₹ 50 crores during the year ended March 31, 2023 and provision for Texas Medicaid litigation of ₹183 crores in our subsidiary, Wockhardt USA LLC for during the year ended March 31, 2022.

*Net Profit/ (loss) after tax:*

As a result of the foregoing, the loss for the year attributable to the equity holders of our Company increased to ₹ 559 crores for the year ended March 31, 2023 from ₹ 244 crores for the year ended March 31, 2022.

**Liquidity and Capital Resources**

The purpose of the liquidity management function is to ensure adequate funding for working capital requirements, meet financial obligations including debt servicing and interest payments and support fixed capital expenditures for future growth. We are committed to diversifying our resources to strengthen financial flexibility and stability.

In Fiscal 2022, 2023 and 2024 our total liabilities amounted to ₹ 4,041 crores, ₹ 4,021 crores, and ₹ 3,987 crores, respectively.

***Cash Flows***

The table below summarizes the statement of cash flows, as per our cash flow statements, for the periods indicated:

*(₹ in crore)*

| Particulars | For the financial year ended March 31, | | |
|---|---|---|---|
| | 2022 | 2023 | 2024 |
| Net cash inflow from operating activities | 413 | 153 | 219 |
| Net cash (outflow) from investing activities | (201) | (125) | (137) |
| Net cash inflow / (outflow) from financing activities | (71) | (315) | 334 |
| Net (decrease) / increase in cash and cash equivalents | 141 | (287) | 416 |
| Cash and cash equivalents at the end of the year | 370 | 90 | 505 |

***Operating Activities***

*Fiscal 2024*

Our net cash inflow from operating activities was ₹ 219 crores in Fiscal 2024. Our operating profit before working capital changes was ₹ 257 crores in the Fiscal 2024, which was the result of loss after exceptional items and before tax of ₹ (420) crores. The changes in operating asset & liabilities in Fiscal 2024 primarily consisted of (a) adjustments for (i) exception items-provision against inventories / contract assets of ₹ 14 crores, (ii) Impairment of asset held for sale and property, plant and equipment of ₹ 79 crores, (iii) depreciation and amortisation expense of ₹ 223 crores, (iv) capital work in progress write off of ₹ nil, (v) of allowance/ (reversal of allowance) for expected credit loss, doubtful advances and bad debts provision of ₹ 54 crores, (vi) Loss on sale/write off of fixed assets (Net) of ₹ 52 crores, (vii) finance costs of ₹ 305 crores, (viii) foreign exchange loss/ (gain) of ₹ (2) crores, (ix) interest income of ₹ (6) crores, (x) employee share based payment expenses of ₹ 1 crore and (xi) liabilities no longer required written back of ₹ (43) crores and (b) movements in working capital consisting of (i) decrease in inventories of ₹ 8 crores, (ii) decrease in trade receivables of ₹ 142 crores, (iii) decrease/ increase in loans and advances and other assets of ₹ 35 crores and (iv) (decrease) in liabilities and provisions of ₹ (193) crores and (c) income taxes paid of ₹ (30) crores.

*Fiscal 2023*

Our net cash inflow from operating activities was ₹ 153 crores in Fiscal 2023. Our operating profit before working capital changes was ₹ 11 crores in the fiscal 2023, which was the result of loss after exceptional items and before tax of ₹ (624) crores. The changes in operating asset & liabilities in Fiscal 2023 primarily consisted of (a) adjustments for (i) provision for contract assets of ₹ 50 crores, (ii) provision for impairment of property, plant and equipment of ₹ 33 crores, (iii) depreciation and amortisation expense of ₹ 251 crores, (iv) capital work in progress write off of ₹ 4 crores, (v) of allowance/ (reversal of allowance) for expected credit loss, doubtful advances and bad debts provision of ₹ 22 crores, (vi) Loss on sale/write off of fixed assets (Net) of ₹ 59 crores, (vii) finance costs of ₹ 302 crores, (viii) exchange loss/ (gain) of ₹ (80) crores, (ix) interest income of ₹ (4) crores, (x) employee share based payment expenses of ₹ 1 crore and (xi) liabilities no longer required written back of ₹ (3) crores and (b) movements in working capital consisting of (i) decrease in inventories of ₹ 141 crores, (ii) decrease in trade receivables of ₹ 199 crores, (iii) decrease/ increase in loans and advances and other assets of ₹ 18 crores and (iv) (decrease) in liabilities and provisions of ₹ (205) crores and (c) income taxes paid of ₹ (11) crores.

*Fiscal 2022*

Our net cash inflow from operating activities was ₹ 413 crores in Fiscal 2022. Our operating profit before working capital changes was ₹ 143 crores in the fiscal 2022, which was the result of loss after exceptional items and before tax of ₹ (411) crores. The changes in operating asset & liabilities in Fiscal 2022 primarily consisted of (a) adjustments for (i) depreciation and amortisation expense of ₹ 247 crores, (ii) allowance for expected credit loss, doubtful advances and bad debts provision of ₹ 20 crores, (iii) Loss on assets sold/write off of fixed assets (Net) of ₹ 6 crores, (iv) finance costs of ₹ 299 crores, (viii) exchange loss/(gain) of ₹ (11) crores, (v) interest income of ₹ (6) crores, (vi) employee share based payment expenses of ₹ 1 crore and (vii) liabilities no longer required written back of ₹ (2) crores and (b) movements in working capital consisting of (i) decrease in inventories of ₹ 30 crores, (ii) decrease in trade receivables of ₹ 7 crores, (iii) increase in loans and advances and other assets

of ₹ (113) crores, (iv) increase in liabilities and provisions of ₹ 457 crores and (v) adjustment of translation difference for working capital movement ₹ (14) crores and(c) income taxes paid of ₹ (97) crores.

***Investing Activities***

*Fiscal 2024*

Our net cash (outflow) from investing activities was ₹ (137) crores in Fiscal 2024. This was primarily due to (i) purchase of property, plant and equipment and capital work-in-progress of ₹ (59) crores, (ii) purchase of intangible assets and intangible assets under development of ₹ (157) crores, (iii) proceeds from sale of property, plant and equipment of ₹ 66 crores, (iv) margin money under lien and bank balances (other than cash and cash equivalents) of ₹ 10 crores and (vi) interest received of ₹ 3 crores.

*Fiscal 2023*

Our net cash (outflow) from investing activities was ₹ (125) crores in Fiscal 2023. This was primarily due to (i) purchase of property, plant and equipment and capital work-in-progress of ₹ (42) crores, (ii) purchase of intangible assets and intangible assets under development of ₹ (167) crores, (iii) proceeds from sale of property, plant and equipment of ₹ 79 crores, (iv) margin money under lien and bank balances (other than cash and cash equivalents) of ₹ 3 crores and (vi) interest received of ₹ 2 crores.

*Fiscal 2022*

Our net cash (outflow) from investing activities was ₹ (201) crores in Fiscal 2022. This was primarily due to (i) purchase of property, plant and equipment and capital work-in-progress of ₹ (118) crores, (ii) purchase of intangible assets and intangible assets under development of ₹ (94) crores, (iii) proceeds from sale of property, plant and equipment of ₹ 1 crore (iv) margin money under lien and bank balances (other than cash and cash equivalents) of ₹ 7 crores and (v) interest received of ₹ 3 crores.

***Financing Activities***

*Fiscal 2024*

Our net cash inflow from financing activities was ₹ 334 crores in Fiscal 2024. This was primarily due to (i) Proceeds from Issuance of Equity share capital under Qualified Institutional Placement (QIP) of ₹ 468 crores (i) transaction cost related to rights issue of ₹ (1) crore, (iii) proceeds from issuance of equity share capital under ESOS of ₹ 0.01 crores, (iv) proceeds of term loan of ₹ 75 crores (v) repayment from long term borrowings of ₹ (254) crores, (vi) short-term borrowings (net) of ₹ 72 crores, (vii) loans from related parties of ₹ 402 crores, (viii) repayment of loans taken from related parties –Long term of ₹ (114) crores (ix) repayment of loans taken from related parties- Short term of ₹ (38) crores, (x) repayment of lease liabilities of ₹ (79) crores and (xi) finance costs paid of ₹ (197) crores. (xii) Equity Dividend paid to IEPF of ₹ (0.49) crores.

*Fiscal 2023*

Our net cash (outflow) from financing activities was ₹ (315) crores in Fiscal 2023. This was primarily due to (i) transaction cost related to rights issue of ₹ (3) crores, (ii) proceeds from issuance of equity share capital under ESOS of ₹ 0.01 crores, (iii) repayment from long term borrowings of ₹ (290) crores, (iv) short-term borrowings (net) of ₹ 81 crores, (v) loans from related parties of ₹ 328 crores, (vi) repayment of loans taken from related parties of ₹ (116) crores, (vii) repayment of lease liabilities of ₹ (73) crores and (viii) finance costs paid of ₹ (242) crores.

*Fiscal 2022*

Our net cash (outflow) from financing activities was ₹ (71) crores in Fiscal 2022. This was primarily due to (i) proceeds from issuance of Equity share capital under rights issue of ₹ 748 crores, (ii) transaction cost related to rights issue of ₹ (1) crore, (iii) proceeds from Issuance of equity share capital under ESOS of ₹ 0.02 crore, (iv) proceeds from long term borrowings of ₹ 49 crores, (v) issue of non-convertible debentures of ₹ 237 crores, (vi) repayment of long-term borrowings of ₹ (786) crores, (vii) short-term borrowings (net) of ₹ (101) crores, (viii) loans from related parties of ₹ 1,348 crores, (ix) repayment of loans taken from related parties of ₹ (1,302) crores, (x) repayment of lease liabilities of ₹ (71) crores, (xi) finance costs paid of ₹ (190) crores and (xii) equity dividend paid to IEPF of ₹ (2) crores.

***Indebtedness***

As of March 31, 2024, we had total borrowings of ₹ 2,112 crores, with an adjusted net debt to equity ratio of 0.43. Some of our financing agreements include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. For further details please see, *Risk Factors – Our loan agreements contain restrictive covenants that may adversely affect our ability to conduct our business. Further, there are share transfer restrictions in relation to some of our overseas Subsidiaries* on page 49. We cannot assure you that we will be able to obtain

these consents and any failure to obtain these consents could have significant adverse consequences for our business, financial condition and results of operations.

Total Borrowings comprised non-current borrowings of ₹ 891 crores and current borrowings of ₹ 1,221 crores as on March 31, 2024.

**Contractual cash flow**

The table below sets forth our contractual cash flows as of March 31, 2024.

| Particulars | Total | Less than 1 year | 1 year to 5 years | More than 5 years |
|---|---|---|---|---|
| | (₹ in crores) | | | |
| Borrowings (other than loans from related party) | 1,041 | 1,039 | 2 | 0 |
| Loan from related party | 1,364 | 218 | 1,146 | 0 |
| Trade payables and other financial liabilities | 1,284 | 1,284 | 0 | 0 |
| Lease liabilities | 273 | 79 | 192 | 2 |
| **Total** | **3,962** | **2,620** | **1,340** | **2** |

**Contingent Liabilities**

The following table sets forth the principal components of our contingent liabilities as of March 31, 2024:

| Particulars | As of March 31, 2024 |
|---|---|
| | (₹ in crores) |
| Income taxes | 546 |
| Indirect taxes | 191 |
| Claims not acknowledge as debts | 138 |
| The Company along with its subsidiaries (the "Group") is involved in other disputes, lawsuits, claims, inquiries, and proceedings including commercial matters that arise from time to time in the ordinary course of business. The Group believes that there are no such pending matters that are expected to have any material adverse effect on its financial statements in any given accounting period. One of the subsidiary in the USA has been a party in some class action suits for pricing by the Government and other private parties, against various pharmaceutical companies, wholesalers, etc. The amount is not quantifiable at this stage. Based on the view of the external legal counsel, the Group believes that while it is premature to predict the outcome of the litigation, the Group has meritorious defenses and will be defending its actions vigorously. | Not quantifiable |

**Off-Balance Sheet Arrangements**

We neither have any off-balance sheet arrangements not any items facilitating off balance sheet arrangement.

**Related Party Transactions**

We enter into various transactions with related parties. For further information see "*Financial Information*" on page 273.

**Quantitative and Qualitative Disclosures about Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises six types of risk: interest rate risk, foreign currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, foreign currency hedging instruments such as forward contracts and options. We have put in place appropriate risk management policies to limit the impact of these risks on its financial performance. The company ensures optimization of cash through fund planning and robust cash management practices.

*Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of our borrowings, both term and working capital, are floating rate linked borrowings wherein interest rate is reset at different time intervals. Fluctuation in interest rates will therefore have a bearing on our debt service obligations.

The exposure of our borrowings to interest rate changes at the end of the reporting period is as follows:

| Particulars | As of March 31, 2024 (₹ in crores) |
|---|---|
| Variable rate instruments<br>Financial Liabilities | 728 |
| Fixed rate instruments<br>Financial Liabilities | 1,384 |
| **Total borrowings** | **2,112** |
| | |
| **Sensitivity** | |
| Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. | |
| **Impact on profit (loss)- increase / (Decrease)in Profit (before tax)** | |
| 100 bp increase | (7) |
| 100 bp decrease | 7 |

*Exposure to currency risk*

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Our exposure to the risk of changes in foreign exchange rates relates primarily to our Company's operating activities (when revenue or expense is denominated in a foreign currency).

| Particulars | Currency | As at March 31, 2024 | | As at March 31, 2023 | | As at March 31, 2022 | |
|---|---|---|---|---|---|---|---|
| | | Amount in Foreign Currency (in million) | ₹ in crore | Amount in Foreign Currency (in million) | ₹ in crore | Amount in Foreign Currency (in million) | ₹ in crore |
| **Loan Availed** | USD | 0.59 | 5 | 3 | 21 | 11 | 86 |
| **Trade Receivables** | AUD* | 0 | 1 | 1 | 4 | 0 | 0 |
| | AED* | 0 | 1 | 0 | 0 | 0 | 0 |
| | EUR | 8 | 73 | 2 | 19 | 6 | 49 |
| | GBP | 22 | 237 | 15 | 150 | 15 | 152 |
| | USD | 30 | 253 | 30 | 250 | 126 | 958 |
| | RUB | 52 | 5 | 54 | 6 | 201 | 18 |
| | CHF | 1 | 11 | | | | |
| | MXN | 69 | 35 | 65 | 29 | 65 | 25 |
| **Loans and Other Receivables** | EUR | 2 | 22 | 2 | 22 | - | - |
| | USD | 12 | 96 | 11 | 87 | 10 | 79 |
| | CHF* | 0 | 0 | 0 | 0 | 0 | 0 |
| | GBP | 10 | 105 | 8 | 77 | 0 | 2 |
| | AED* | 0 | 0 | 0 | 0 | - | - |
| **Trade payables and Other Liabilities** | ACU* | 0 | 0 | 0 | 0 | 0 | 0 |
| | AUD* | 0 | 2 | 0 | 0 | 1 | 5 |
| | EUR | 16 | 144 | 5 | 43 | 22 | 188 |
| | GBP | 4 | 47 | 11 | 108 | 28 | 279 |
| | MXN | 3 | 1 | 13 | 6 | 13 | 5 |
| | USD | 22 | 181 | 29 | 240 | 38 | 287 |
| | JPY* | 0 | 0 | - | - | 1 | 0 |
| | CHF | 0 | 0 | 2 | 14 | 2 | 15 |
| | AED* | 0 | 0 | - | - | 1 | 1 |
| | SEK* | 0 | 0 | 0 | 0 | 0 | 0 |
| | RUB | 111 | 10 | 108 | 11 | 141 | 13 |
| **Bank** | GBP | 1 | 9 | 0 | 5 | 3 | 26 |
| | EUR | 1 | 1 | 0 | 4 | 2 | 16 |
| | USD* | 0 | 0 | 0 | 0 | 1 | 5 |
| | AED* | 0 | 0 | 0 | 0 | 0 | 0 |
| | CHF* | 0 | 0 | 0 | 3 | 0 | 3 |
| | AUD* | 0 | 0 | 0 | 0 | 0 | 0 |
| **Derivatives (Forward Contracts - sell)** | USD | 5 | 42 | - | - | - | - |

** less than ₹ 0.50 crore*

*Liquidity Risk*

Ultimate responsibility for liquidity risk management rests with the Board, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated

from operations. The Company manages liquidity risk by maintaining adequate cash reserves, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Accordingly, no liquidity risk is perceived.

*Cash Management Risk*

Our business operations do not involve significant cash transactions and the majority of our transactions with customers are conducted electronically or via cheques. For our corporate lending business, almost all of our loan disbursements are made, serviced and repaid through real-time gross settlement ("**RTGS**") or National Electronic Funds Transfer ("**NEFT**"), both of which are specialist electronic payment systems.

*Asset Quality Impairment Risk*

Asset risks arise due to the decrease in the value of the collateral over time. The selling price of a re-possessed asset may be less than the total amount of loan and interest outstanding in such borrowing and we may be unable to realize the full amount lent to our customers due to such a decrease in the value of the collateral. We may also face certain practical and execution difficulties during the process of seizing collateral. We engage experienced repossession agents to repossess assets of defaulting customers.

*Inflation Risk*

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. A return of high inflation rates may result in an increase in overall interest rates which may adversely affect our results of operations. High inflation rates may also adversely affect growth in the Indian economy and our operating expenses.

**Significant Economic Changes**

Other than as described above under the heading titled "*Principal Factors Affecting Our Financial Condition and Results of Operations*," to the knowledge of our management, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

**Unusual or Infrequent Events of Transactions**

Except as described in this Preliminary Placement Document, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

**Known Trends or Uncertainties**

Our business has been affected and we expect will continue to be affected by the trends identified above in the heading titled "*Principal Factors Affecting Our Financial Condition and Results of Operations*" and the uncertainties described in the section titled "*Risk Factors*" beginning on pages 99 and 45, respectively. To our knowledge, except as described or anticipated in this Preliminary Placement Document, there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

**Future Relationship Between Cost and Income**

Other than as described in this Preliminary Placement Document, to the knowledge of our management, there are no known factors that might affect the future relationship between costs and revenues.

**New Products or Business Segments**

Other than as described in "*Our Business*" on page 187 of this Preliminary Placement Document, there are no new products or business segments in which we operate.

**Seasonality of Business**

Our business is not subject to seasonal variations.

**Customer Concentration**

We are not dependent on major customers for a significant portion of our revenue.

**Reservations, Qualifications and Adverse Remarks Included by Auditors**

There are no reservations or qualifications or adverse remarks of the Erstwhile Statutory Auditors in the last five financial years in the audited consolidated financial statements of our Company. However, our Erstwhile Statutory Auditors have included certain observations and remarks pursuant to the Companies (Auditor's Report) Order, 2020 and Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, in the audited standalone financial statements of our Company. For further details, please see "Risk Factors – *Our Erstwhile Statutory Auditors have included certain remarks in connection with the Companies (Auditor's Report) Order, 2020 in their audit reports on the audited standalone financial statements for Fiscals 2020, 2021, 2022, 2023 and 2024.*" on page 61.

**Significant Developments after March 31, 2024**

No circumstances have arisen since March 31, 2024, that could materially and adversely affect or are likely to affect, our operations, trading or profitability, or the value of our assets or our ability to pay our material liabilities withing the next 12 months.

## INDUSTRY OVERVIEW

*Unless otherwise indicated, industry and market data used in this section has been derived from industry report titled "Assessment of Global and Indian pharmaceuticals industry" dated October 2024 (the "**CRISIL Report**") prepared and issued by CRISIL Research ("**CRISIL**"), and exclusively commissioned and paid for by us to understand the industry in which we operate in connection with the Issue.*

*Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular calendar year/ Fiscal refers to such information for the relevant calendar year/ Fiscal. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect.*

*Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents of the CRISIL Report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. While preparing the report, CRISIL has also sourced information from publicly available sources, including our Company's financial statements available publicly.*

### 1. Global macroeconomic assessment

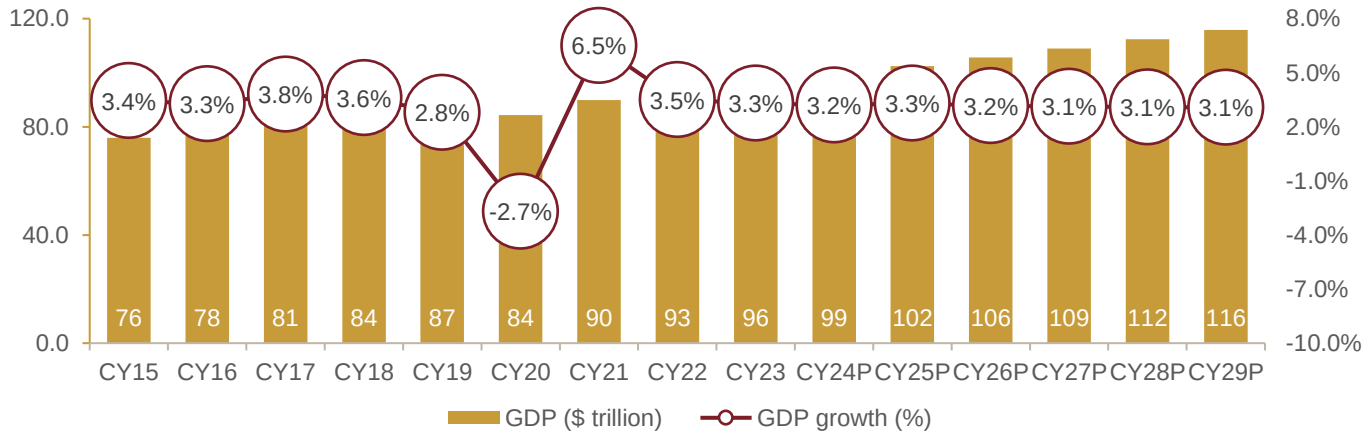
**Global real GDP is estimated to grow at 3.2% in CY24 and 3.3% in CY25 amid moderating inflation and steady growth in key economies**

As per the International Monetary Fund's (IMF) July 2024 update, global real gross domestic product (GDP) growth is projected at 3.2%,3.3% and 3.2% in CY24, CY25 and CY26 respectively. The latest estimate for CY24 is in line with IMF's previous forecast in April 2024, mainly due to stabilization of economic activities and strong first quarter growth in many countries. Emerging market and developing economies are also expected to experience stable growth through CY24 and CY25, with regional differences.

Disinflation and steady growth have helped improved macro environment and risks to global growth are now broadly balanced. Amid favourable global supply environment, inflation has been falling faster than expected which could lead to further easing of financial conditions. However, new commodity price spikes from geopolitical shocks and supply disruptions could prolong tight monetary conditions.

In the long term, global GDP is projected to grow at a CAGR of ~3.2% between CY23 and CY29 and reach $115.8 trillion in CY29.

**Global GDP trend and outlook (CY18-29P, $ trillion)**

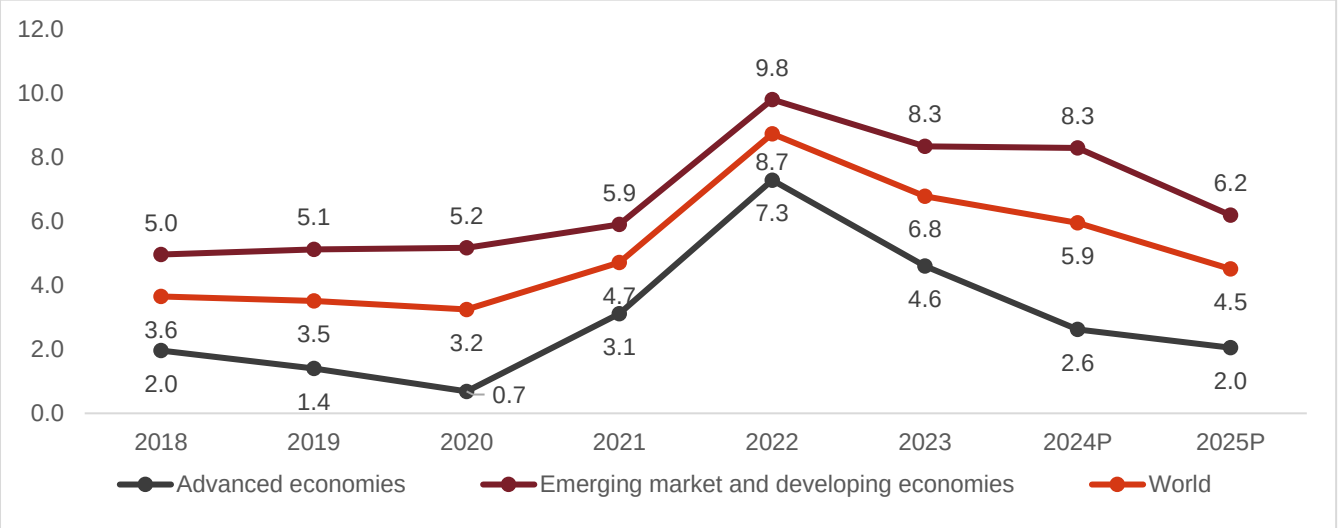



*Note: E: Estimated, P: Projection*
*Source: IMF economic database, CRISIL Market Intelligence and Analytics (MI&A)*

**Global inflation to subside in the medium term**

As per the IMF, global headline inflation is expected to decline from an estimated 6.8% in 2023 (annual average) to 5.9% in 2024 and 4.5% in 2025. In advanced economies, the decrease in 2024 is expected to be sharper at 2.0 percentage points to 2.6%. In emerging market and developing economies, though, it is projected to remain constant at around ~8.3%.

**Trend and outlook on consumer prices**




*Notes: P – projected*
*Source: IMF, CRISIL MI&A*

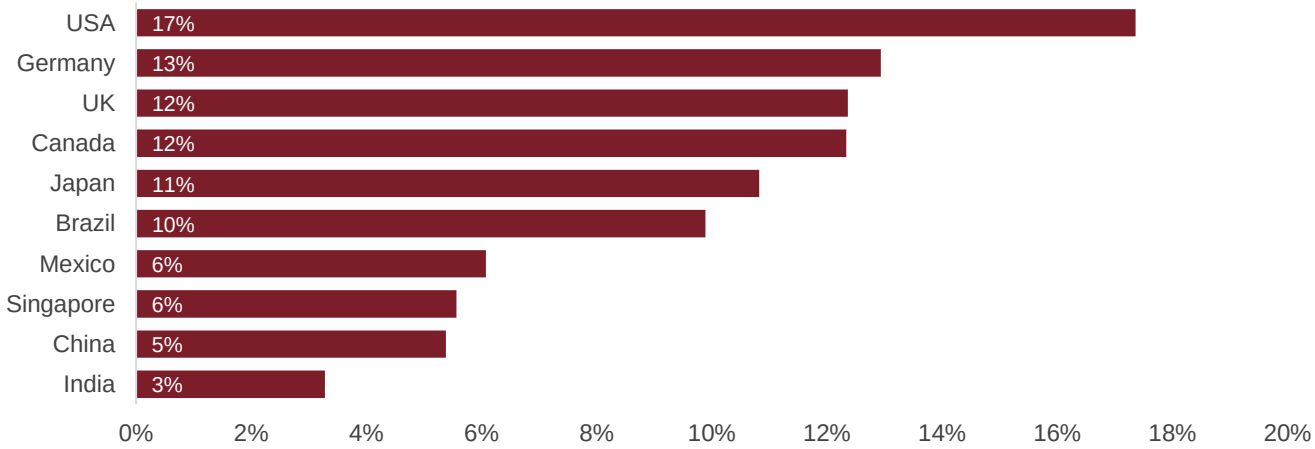
**Global healthcare expenditure accounts for ~10% of global GDP**

The pharmaceutical industry is driven by a number of demographic and macroeconomic factors, such as changes in lifestyles which have led to more chronic diseases, in particular diabetes, cancer and cardiovascular diseases, increased uptake of medicines due to increased per capita income and awareness, the spread and availability of health insurance and population growth. These factors are expected to drive growth in the pharmaceutical industry.

Global healthcare spending has been rising in sync with economic growth. As an economy grows, public and private spending on health grows, too. Further, an increase in sedentary lifestyle has heightened the risk of chronic diseases, which is also raising healthcare spending. This is evident primarily in fast-growing economies.

Globally, healthcare expenditure as a percentage of GDP increased at 10.3% on-year in 2021, owing to availability of better medical facilities, advancements in medicine and increase in disposable incomes. During the year, the US, Germany and the UK were among the top spending countries in terms of current healthcare expenditure (CHE) as a percentage of their GDPs, whereas India registered a comparatively lower CHE as a percentage of GDP, at 3.3% .

**Current healthcare expenditure as percentage of GDP (2021)**




*Source: Global Health Expenditure Database – World Health Organization (WHO), CRISIL MI&A*

Per capita CHE (at an international dollar rate, adjusted for purchasing power parity) in 2021 for some key economies was as follows: $12,012.20 for the US, $7,607.00 for Germany, $6,552.00 for Canada and $6,159.8 for the UK. For India, the CHE was considerably lower at $235.7. Still, this was a notable 7.1% CAGR between 2017 and 2021.

**Per capita CHE (in current PPP)**

| Countries | CHE, in current PPP per capita | | |
|---|---|---|---|
| | 2017 | 2021 | CAGR (2017-2021) |
| **USA** | 9,902.8 | 12,012.2 | 4.9% |
| **Germany** | 6,026.1 | 7,607.0 | 6.0% |
| **Canada** | 5,268.3 | 6,552.2 | 5.6% |
| **Singapore** | 4,051.4 | 6,352.6 | 11.9% |
| **UK** | 4,438.5 | 6,159.8 | 8.5% |
| **Japan** | 4,427.2 | 4,675.5 | 1.4% |
| **Brazil** | 1,371.2 | 1,625.6 | 4.3% |
| **Mexico** | 1,093.3 | 1,190.1 | 2.1% |
| **China** | 711.8 | 1,032.7 | 9.8% |
| **India** | 179.4 | 235.7 | 7.1% |

*Note: 2021 is the latest available data for the set of countries*
*Source: Global Health Expenditure Database – WHO, CRISIL MI&A*

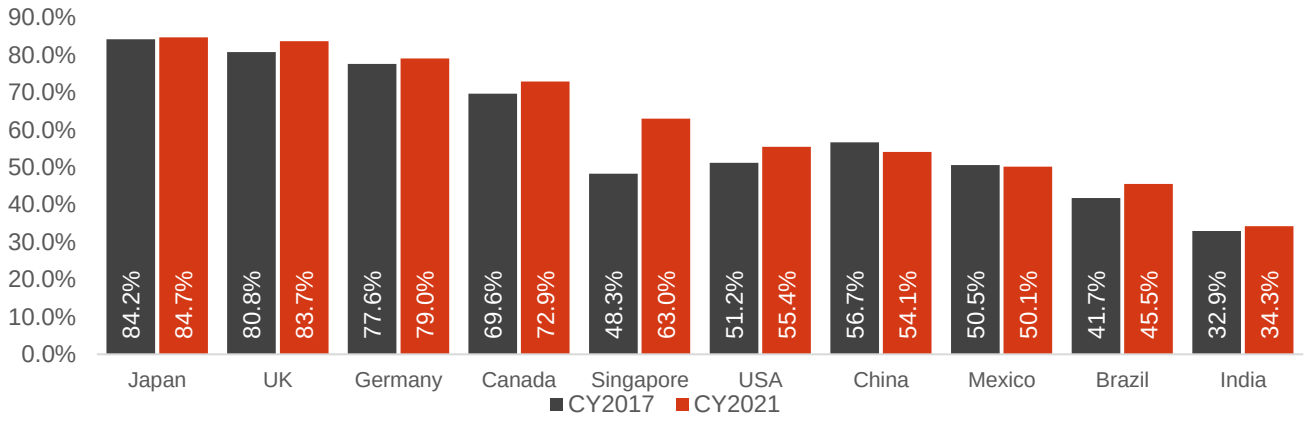
**Government spending comprised ~63% of health expenditure in 2021**

Global spending on healthcare reached $9.8 trillion in 2021, of which government spending was $6.2 trillion (~62.9% share), followed by private spending at $3.5 trillion (38.6% share). External spending was a minuscule $26 billion (0.3% share).

According to the World Health Organization (WHO), in most countries, increase in healthcare spending in 2021 was underpinned by a sharp budgetary response from governments. In high and upper-middle income countries, this reflected a substantially higher prioritisation towards healthcare in government budgets, while in lower-middle income countries, it reflected mainly an overall increase in general government spending.

Some countries with high government spending as a percentage of their CHE in 2021 were Japan (84.7%), the UK (83.7%) and Germany (79.0%), with India having a comparatively low share at 34.3%. But the share of government spending in CHE increased in India between 2017 and 2021, whereas it decreased in China and Mexico.

**Share of government spending as a percentage of CHE**




*Source: Global Health Expenditure Database – WHO, CRISIL MI&A*

**Pharmaceutical expenditure constitutes 10-20% of healthcare spending in key countries**

Pharmaceutical care is constantly evolving, with many novel drugs entering the market. These offer alternative treatments, and,

in some cases, the prospect of treating conditions previously considered incurable. However, the cost of new drugs can be very high, with significant implications for healthcare budgets.

In 2019, retail pharmaceuticals accounted for almost one-fifth of all healthcare expenditure and represented the third-largest spending component in Organisation for Economic Co-operation and Development (OECD) countries, behind inpatient and outpatient care. Most spending on retail pharmaceuticals is for prescription medicines (79%), with the remainder spent on over-the-counter (OTC) medicines (21%).

**Pharmaceutical and other medical durable goods spending in key countries**

| Country | Pharmaceutical spending as % of CHE | |
|---|---|---|
| | 2017 | 2021 |
| USA | 12.0 | 11.7 |
| Canada | 16.4 | 13.8 |
| UK | 11.8 | 9.5 |
| Japan | 18.3 | 18.1* |
| Spain | 15.4 | 14.6 |
| Italy | 17.6 | 17.1 |
| South Korea | 20.6 | 20.1* |
| Mexico | 23.0 | 22.1 |
| India* | 23.0 | 21.0* |

*CHE – current healthcare expenditure*
**Values as of 2020*
*Notes:*
*Source: Global Health Expenditure Database – WHO, World Bank database, Organisation for Economic Co-operation and Development (OECD), CRISIL MI&A*

## 2. Macroeconomic overview of India

**India's real GDP grew at 5.9% CAGR between FY12 and FY24**

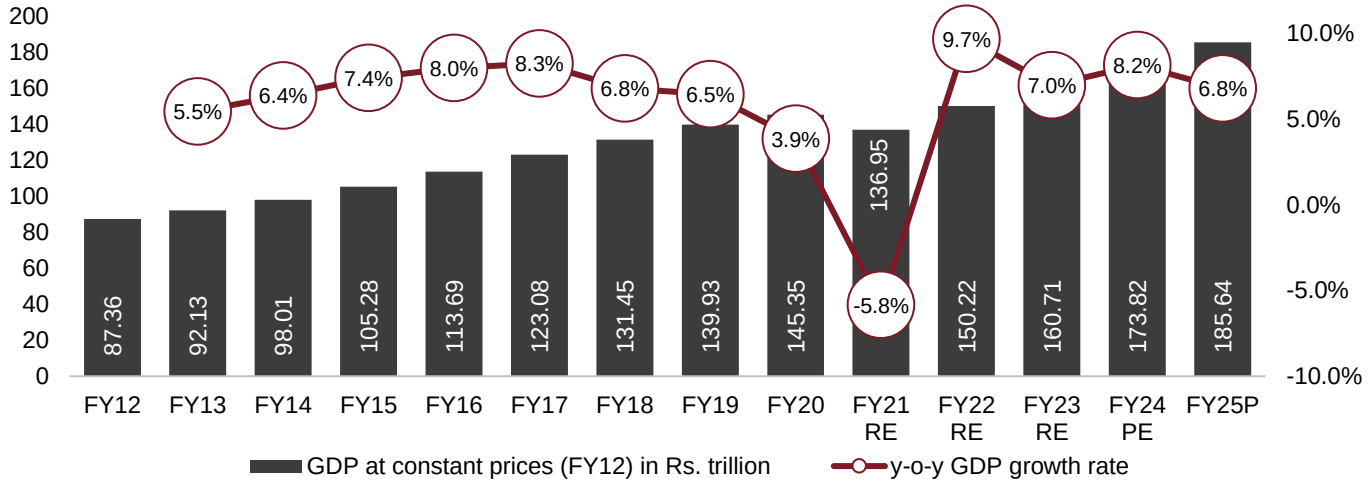
India's GDP grew at 5.9% compounded annual growth rate (CAGR) between FY12 and FY24 to Rs 173.8 trillion in FY24. A large part of the lower growth rate was because of challenges heaped by the Covid-19 pandemic in FY20 and FY21. In FY22, the economy recovered with abating of the pandemic and subsequent easing of restrictions and resumption in economic activity.

In FY23, GDP rose 7% on continued strong growth momentum, propelled by investments and private consumption. The share of investments in GDP was at 33.3% and that of private consumption was at 58.0%.

The National Statistics Office (NSO) in its provisional estimates of Annual Gross Domestic Product (GDP) for FY24, estimated India's real GDP growth to be 8.2% which is higher than its Second Advanced Estimate of 7.6%. Even as the agricultural economy slowed sharply following a weak monsoon, the surge in non-agricultural economy has more than made up for it. The government's investment push, along with easing input cost pressures for industry, has also played a major role in shoring up growth. However, services have been slowing owing to waning pent-up demand (post the pandemic), with the exception of financial, real estate and professional services, which has powered ahead on the back of robust growth in banking and real estate sectors.

In FY24, Growth has primarily been fueled by fixed investments, exhibiting a robust 9% expansion, while private consumption growth lagged at 4%, trailing overall GDP growth. On the supply side, the manufacturing sector experienced the most substantial growth at ~9.9%, while the agriculture exhibited more modest growth rate of 1.4%. These trends underscore the varied performance across sectors, highlighting the nuanced dynamics shaping India's economic landscape in FY24. Overall, real GDP of India is estimated to have grown at 8.2% in FY24 compared with 7.0% in FY23.

**India real GDP growth at constant prices (new series)**




*RE – revised estimates, PE – Provision estimates, P – projection*
*Notes: The values are reported by the government under various stages of estimates*
*Actuals, estimates and projected data of GDP are provided in the bar graph*
*Source: Ministry of Statistics and Programme Implementation (MoSPI), CRISIL MI&A*

**CRISIL forecasts India's real GDP to grow 6.8% in FY25**

After a strong GDP print in the past three fiscals, CRISIL expects GDP growth to moderate in FY25 as fiscal consolidation will reduce the fiscal impulse to growth, rising borrowing costs and increased regulatory measures could weigh on demand, net tax impact on GDP is expected to normalize, and exports could be impacted due to uneven growth in key trade partners and any escalation of the Red Sea crisis. On the other hand, another spell of normal monsoon and easing inflation could revive rural demand.

At an overall level, India's real GDP is expected to be 6.8% in FY25. This slower growth rate vs. FY24 will be because of slowing global growth, impact of rising interest rates, waning of pent-up demand for services and increasing geopolitical uncertainty. Still, the manufacturing sector, investments and domestic demand will remain resilient.

**India among world's fastest-growing large economies**

Following the recovery from the COVID-19 pandemic, India exhibited a faster growth rate of 7.0% in FY2023, surpassing both advanced economies at 2.6% and emerging and developing economies at 4.1%. This trend is expected to continue, with India leading the growth compared to its key counterparts.

**Real GDP growth by geographies**

| Regions | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024P | 2025P |
|---|---|---|---|---|---|---|---|---|
| US | 3.0 | 2.5 | -2.2 | 5.8 | 1.9 | 2.5 | 2.6 | 1.9 |
| Euro area | 1.8 | 1.6 | -6.1 | 5.9 | 3.4 | 0.4 | 0.8 | 1.5 |
| UK | 1.4 | 1.6 | -10.4 | 8.7 | 4.3 | 0.1 | 0.7 | 1.5 |
| China | 6.8 | 6.0 | 2.2 | 8.4 | 3.0 | 5.2 | 5.0 | 4.5 |
| India* | **6.5** | **3.9** | **-5.8** | **9.8*** | **7.0*** | **7.6*** | **6.8*** | **6.5** |
| Advanced economies | 2.3 | 1.7 | -4.2 | 5.6 | 2.6 | 1.7 | 1.7 | 1.8 |
| Emerging market and developing economies | 4.6 | 3.6 | -1.8 | 6.9 | 4.1 | 4.4 | 4.3 | 4.3 |
| World | **3.6** | **2.8** | **-2.7** | **6.5** | **3.5** | **3.3** | **3.2** | **3.3** |

*E – estimates, P – projections*
* Numbers for India are for financial year (2020 is *FY2021* and so on*)* and as per *the* IMF's forecast. *^India GDP estimate for the FY2024 is 8.2% according to provisional estimates from MoSPI .*
Note:
*Source: IMF economic database, World Bank national accounts data, CRISIL MI&A*

**India's per capita GDP growing faster than the global average**

Global GDP per capita clocked a CAGR of 3.1% between 2018 and 2023, as per the IMF. India's per capita registered a higher CAGR of 4.8% over the period, i.e., 2018 to 2023.

**GDP per capita, current prices ($)**

| Regions | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024P | 2025P | CAGR (2018-2023) |
|---|---|---|---|---|---|---|---|---|---|
| Canada | 46,618 | 46,431 | 43,573 | 52,521 | 55,613 | 53,548 | 54,866 | 57,021 | 2.8% |
| China | 9,849 | 10,170 | 10,525 | 12,572 | 12,643 | 12,514 | 13,136 | 14,037 | 4.9% |
| Euro area | 39,866 | 39,014 | 37,938 | 42,587 | 41,062 | 44,463 | 45,826 | 47,322 | 2.2% |
| India | 1,974 | 2,050 | 1,916 | 2,250 | 2,366 | 2,500 | 2,731 | 2,984 | **4.8%** |
| Japan | 39,850 | 40,548 | 40,172 | 40,114 | 34,005 | 33,806 | 33,138 | 34,922 | -3.2% |
| United Kingdom | 43,275 | 42,713 | 40,246 | 46,704 | 45,730 | 49,099 | 51,075 | 53,627 | 2.6% |
| US | 63,165 | 65,505 | 64,367 | 70,996 | 77,192 | 81,632 | 85,373 | 87,978 | 5.3% |
| Advanced economies | 48,191 | 48,481 | 47,476 | 52,853 | 53,562 | 56,243 | 58,258 | 60,382 | 3.1% |
| Emerging market and developing economies | 5,366 | 5,417 | 5,152 | 5,982 | 6,326 | 6,432 | 6,703 | 7,030 | 3.7% |
| World | 11,472 | 11,518 | 11,111 | 12,527 | 12,894 | 13,359 | 13,836 | 14,368 | 3.1% |

*P – projections*
*Source: IMF, CRISIL MI&A*

**Robust growth in per capita income over FY12-24**

India's per capita income, a broad indicator of living standards, rose from Rs 63,462 in FY12 to Rs 99,404 in FY23, logging 4.2% CAGR. Growth was led by better job opportunities, propped up by overall GDP growth. Moreover, population growth remained stable at ~1% CAGR. Furthermore, according toFY24PE, per capita net national income (constant prices) is estimated to have increased to Rs 106,774; thereby registering a year-on-year growth of ~7.4%.

**Per capita net national income at constant prices**

| | FY12 | FY13 | FY14 | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | FY21RE | FY22RE | FY23RE | FY24PE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Per-capita NNI (Rs) | 63,462 | 65,538 | 68,572 | 72,805 | 77,659 | 83,003 | 87,586 | 92,133 | 94,270 | 86,054 | 94,054 | 99,404 | 106,744 |
| Y-o-Y growth (%) | | 3.3 | 4.6 | 6.2 | 6.7 | 6.9 | 5.5 | 5.2 | 2.3 | -8.7 | 9.3 | 5.7 | 7.4 |

*Note: RE: revised estimates, PE – Provision estimates*
*Source: CSO, MoSPI, CRISIL MI&A*

**Healthy growth of gross value added in FY24 in line with GDP growth**

As of FY24PE, GVA has reached to INR 158.7 trillion, up from INR 148.0 trillion, registering a y-o-y growth of ~7.2%. Financial, Real Estate & Professional Services had the highest contribution to GVA at ~23.3%, whereas construction and manufacturing GVA had the registered the highest annual growth at ~9.9%.

**GVA at constant prices**

| Sectors (Rs trillion) | FY12 | FY19 | FY20 | FY21 | FY22 | FY23 RE | FY24 PE | Share in GVA FY24 | Annual growth in FY24 |
|---|---|---|---|---|---|---|---|---|---|
| Agriculture, forestry and fishing | 15.0 | 18.8 | 19.9 | 20.7 | 21.7 | 22.7 | 23.0 | 14.5% | 1.4% |

| Sectors (Rs trillion) | FY12 | FY19 | FY20 | FY21 | FY22 | FY23 RE | FY24 PE | Share in GVA FY24 | Annual growth in FY24 |
|---|---|---|---|---|---|---|---|---|---|
| Mining and quarrying | 2.6 | 3.3 | 3.2 | 2.9 | 3.1 | 3.2 | 3.4 | 2.1% | 7.1% |
| Manufacturing | 14.1 | 23.3 | 22.6 | 23.3 | 25.6 | 25.0 | 27.5 | 17.3% | 9.9% |
| Electricity, gas, water supply & other utility services | 1.9 | 2.9 | 3.0 | 2.9 | 3.2 | 3.5 | 3.7 | 2.4% | 7.5% |
| Construction | 7.8 | 10.3 | 10.4 | 10.0 | 11.9 | 13.1 | 14.4 | 9.0% | 9.9% |
| Trade, Hotels, Transport, Communication & Services related to Broadcasting | 14.1 | 25.4 | 26.9 | 21.5 | 24.8 | 27.8 | 29.6 | 18.6% | 6.4% |
| Financial, Real Estate & Professional Services | 15.3 | 27.1 | 29.0 | 29.5 | 31.2 | 34.1 | 36.9 | 23.3% | 8.4% |
| Public Administration, Defence & Other Services | 10.3 | 16.3 | 17.3 | 16.0 | 17.2 | 18.8 | 20.2 | 12.7% | 7.8% |
| Total GVA at constant prices | **81.1** | **127.3** | **132.4** | **126.9** | **138.8** | **148.0** | **158.7** | **100.0%** | **7.2%** |

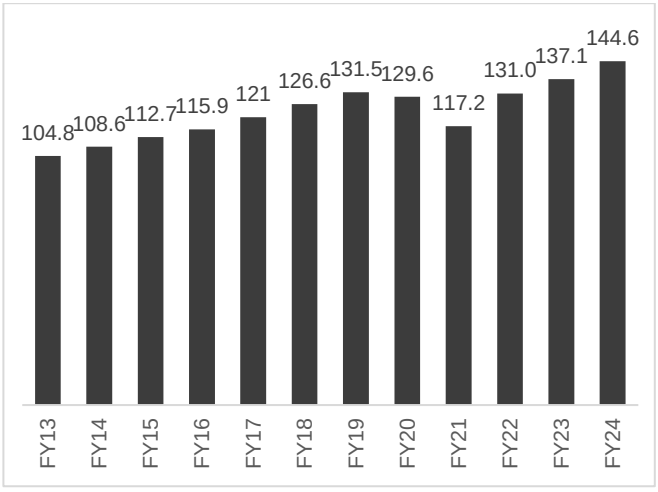
*RE – revised estimate, PE- provisional estimates*
*Source: MoSPI, CRISIL MI&A*

**Manufacturing IIP increased to 144.6 in fiscal 2024**

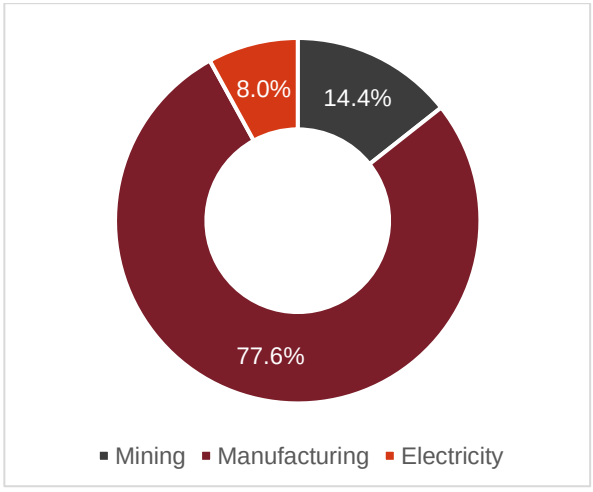
The Index of Industrial Production (IIP) for manufacturing rose to 144.6 in fiscal 2024 from 104.8 in fiscal 2013. The manufacturing sector is a significant contributor to the country's overall industrial growth, with 78% weightage in the overall IIP as of fiscal 2023.

Even though manufacturing IIP declined in fiscal 2020 to 129.6 and to 117.2 in fiscal 2021 owing to the pandemic, it recovered to 131.0 in fiscal 2022 on the back of easing of Covid-19 related restrictions, government stimulus measures, rising consumer demand and efforts to revitalise the manufacturing sector. Consequently, in fiscal 2024, manufacturing IIP stood at 144.6.

**Manufacturing IIP (fiscal 2013 to 2024)**




**Weight of manufacturing in IIP (fiscal 2024)**




*Source: MoSPI, CRISIL MI&A*

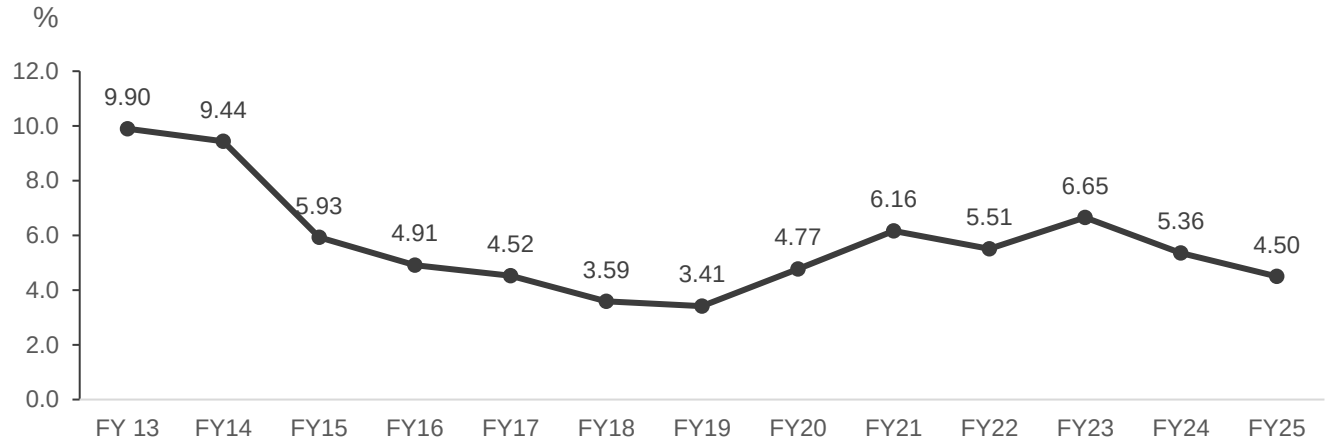
**Review of CPI Inflation in India**

Consumer price index (CPI) inflation eased marginally to 4.8% in April from 4.9% in March. Food inflation, however, edged up to 8.7% from 8.5%, driven by costlier cereals and meat; vegetables. Despite the uptick in food, non-food components helped curtail headline inflation with fuel prices deflating at a faster pace.

Food inflation continues to drive swings in headline inflation and has remained well above 8% for six months. Pressure on food prices continues with ongoing heatwaves being one of the factors. Fuel inflation has been reducing the pressure on the headline for eight months, led by the government's retail fuel price relaxations. But if crude oil prices surge and stay elevated in the

wake of geopolitical concerns, inflation could trend upwards again.

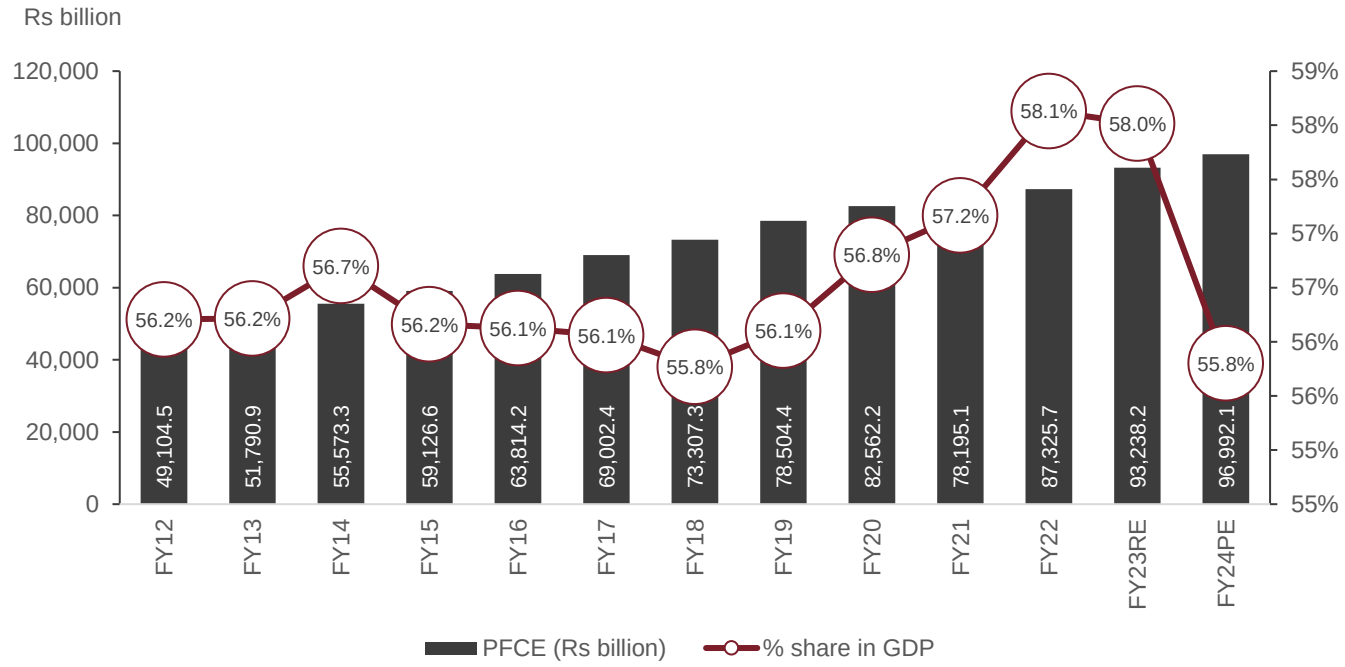
Going ahead, CPI inflation is expected to broadly ease to 4.5% on-year this fiscal from 5.4%. Softer headline inflation forecast is primarily premised on lower food inflation assuming a normal monsoon and on the back of the high base of fiscal 2024.




*Source: MoSPI, CRISIL MI&A*

**PFCE has dominant share in India's GDP**

**PFCE (at constant prices)**




*Source: MoSPI, CRISIL MI&A*

Private final consumption expenditure (PFCE) at constant prices clocked 5.8% CAGR between FY12-23, maintaining its dominant share of ~58.0% in FY23 (~INR 93,238 billion in absolute terms, up 6.8% year-on-year). Growth was led by healthy monsoon, wage revisions due to the implementation of the Seventh Central Pay Commission's (CPC) recommendations, benign interest rates, growing middle age population and low inflation. As of FY24PE, PFCE is estimated to have further increased to INR 96,055 billion, registering a y-o-y growth of ~3% and forming ~56% of India's GDP.

**Consumption expenditure will continue to drive GDP growth led by discretionary spends**

In the medium to long term, positive economic outlook and growth across key employment generating sectors (such as real estate, infrastructure, and automobiles) is expected to have a cascading effect on overall per capita income. This, in turn, is expected to drive discretionary spending.

**Broad split of PFCE into basic and discretionary spending**

| | FY12 | FY13 | FY14 | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | FY23RE | FY24 PE | CAGR FY12-FY24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PFCE (Rs trillion) | 49 | 52 | 56 | 59 | 64 | 69 | 73 | 79 | 83 | 78 | 87 | 93 | 97 | 5.8% |
| Share of PFCE in GDP | 56.2 % | 56.2 % | 56.7 % | 56.2 % | 56.1 % | 56.1 % | 55.8 % | 56.1 % | 56.8 % | 57.2 % | 58.1 % | 58.0% | 55.8 % | - |
| Share of discretionary spending in PFCE | 53.4 % | 53.2 % | 52.7 % | 54.8 % | 57.1 % | 57.0 % | 58.3 % | 59.2 % | 59.7 % | 56.7 % | 57.8 % | 59.1% | N. A | - |

*RE – revised estimates, PE – provisional estimates*
*N.A – not available. PFCE data is from the latest available National Account Statistics 2023. Discretionary items include education, healthcare, electricity, water supply, footwear, personal care products, processed foods, alcoholic and non-alcoholic beverages, tobacco, narcotics, fuel and gas, furnishing and household equipment, vehicle and personal transportation, spending on recreation and culture, communication, restaurants and hotels, financial insurance and other financial services, and other items not elsewhere classified. The remainder is contributed by basic items that include food, clothing and housing.*
*Source: MoSPI, CRISIL MI&A*

**Rural households bridge the gap between urban-rural consumption divide**

According to the latest Household Consumption Expenditure Survey (HCES) fiscal 2023 published by MoSPI, the average monthly per capita consumption expenditure (MPCE) was Rs 3,773 for the rural sector and Rs 6,459 for the urban sector in fiscal 2023. Additionally, the disparity between the MPCE for rural and urban households decreased to 71.2% in fiscal 2023 from 83.9% in fiscal 2012, indicating higher growth in rural consumption compared with urban consumption during the same period.

**Pan-India consumption trend**

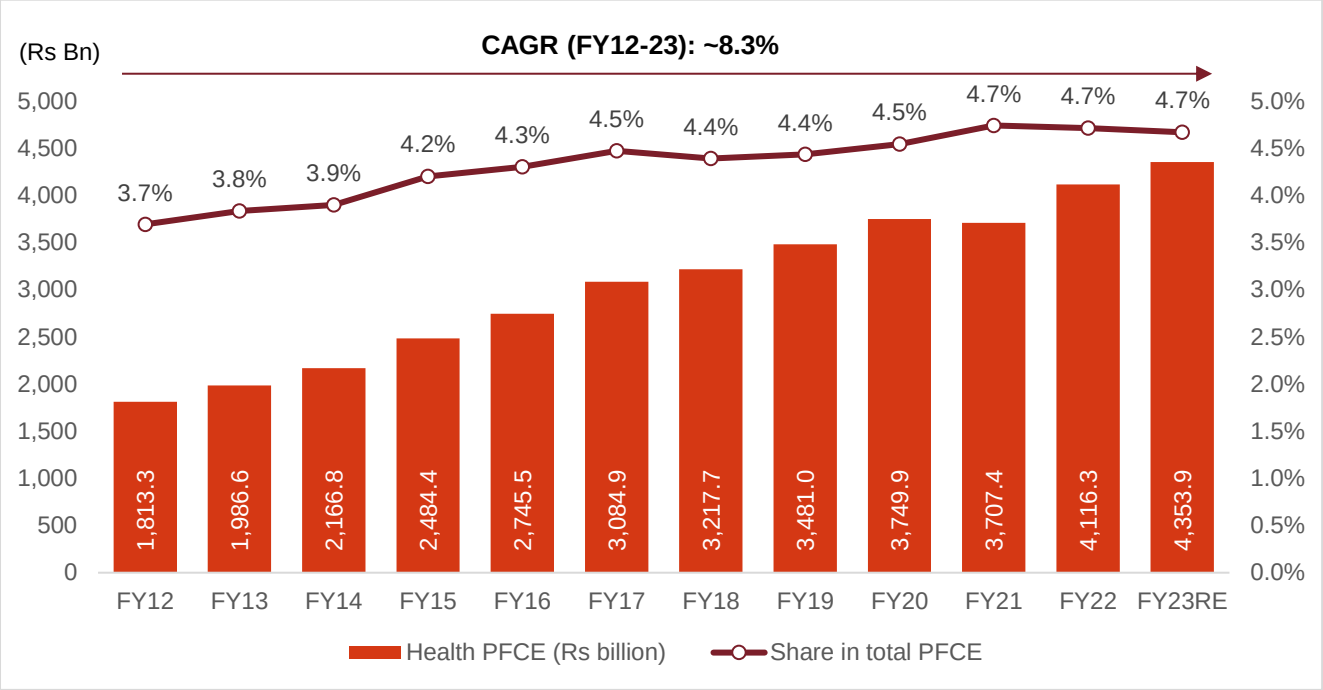
| Sector | Average MPCE | | |
|---|---|---|---|
| | 2009-10 | 2011-12 | 2022-23 |
| **Rural (Rs)** | 1,054 | 1,430 | 3,773 |
| **Urban (Rs)** | 1,984 | 2,630 | 6,459 |
| **Difference as % of rural MPCE** | 88.2 | 83.9 | 71.2 |

*Source: HCES, CRISIL MI&A*

**Share of health expenditure in total PFCE consistently increasing**

The share of health expenditure in total PFCE has been consistently increasing; it rose from 3.7% in FY12 to 4.7% in FY23. In absolute terms, health expenditure increased at a CAGR of ~8.3% from Rs 1,813.3 billion in FY12 to Rs 4,353.9 billion in FY23.

**Share of health expenditure in total PFCE**



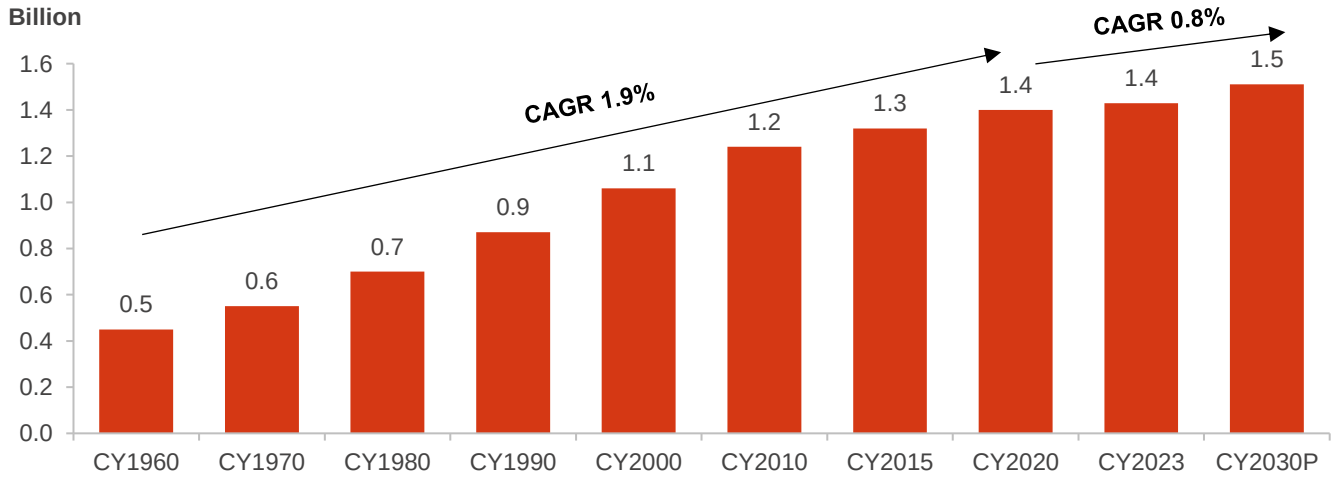

*Note: RE: Revised estimates*
*Source: MoSPI, CRISIL MI&A*

**Growing population, increasing urbanisation and rising per capita income to strengthen India's consumer base and demand**

According to Census 2011, India's population grew to ~1.2 billion between 2001 and 2011, at a CAGR of 1.9%. As per Census 2010, the country had ~246 million households. Additionally, as per United Nations Population Fund's (UNFPA) State of World Population Report of 2023, India's population by mid-2023 is estimated to have surpassed China by ~2.9 million. This demographic expansion along with increasing per capita income will boost consumer spending in India.

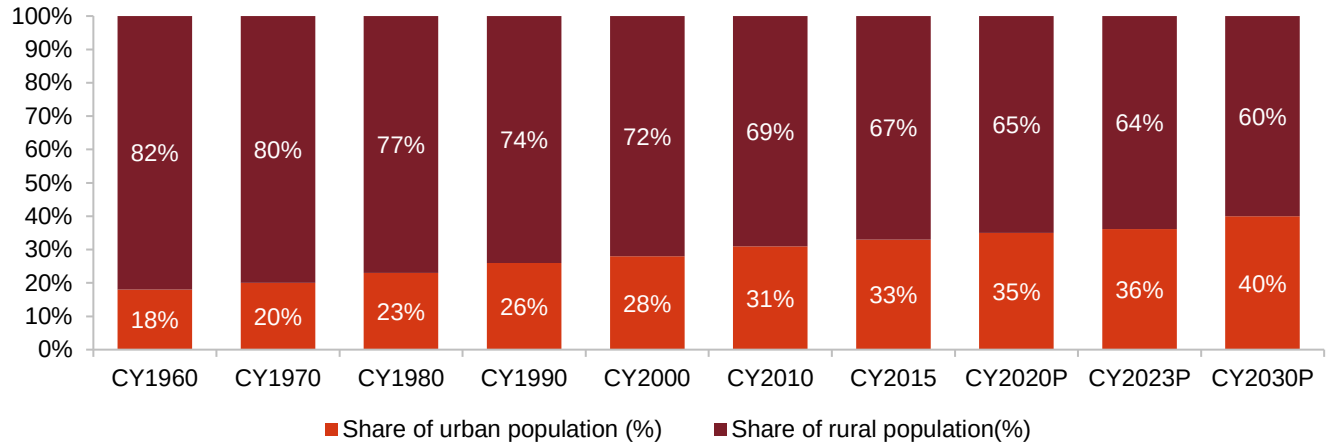
Also, India's urban population is expected to continue to rise on the back of economic growth. The share of urban population is projected to increase to nearly 40% by 2030, according to a UN report on urbanisation.

**India's population growth**




*P - projections*
*Source: UN Department of Economic and Social Affairs, World Population Prospects 2022, CRISIL MI&A*

**India's urban vs rural population (million)**




*P - projections*
*Source: World Urbanization Prospects: The 2018 Revision, UN, CRISIL MI&A*

As per the UN 2022 Revision of World Population Prospects, India's youth (0-24 years) accounted for nearly half its population in 2010, significantly higher than that for some of its peers (Brazil at 42.5%, China at 35.1% and the Russian Federation at 29.7%). About 31% of the population aged below 15 indicates that a high proportion of the country's young population is expected to remain so in the coming years.

This share is, in fact, expected to reach ~39% by 2030, and remain significantly higher than that of its peers (Brazil at 31.5%, China at 25.4% and the Russian Federation at 27.7%). This also indicates a higher proportion of population entering the workforce. However, the share of population above 50 years is also expected to increase from ~19.4% in 2020 to ~23.0% in 2030P.

**Age-wise population break-up (%) for key countries**

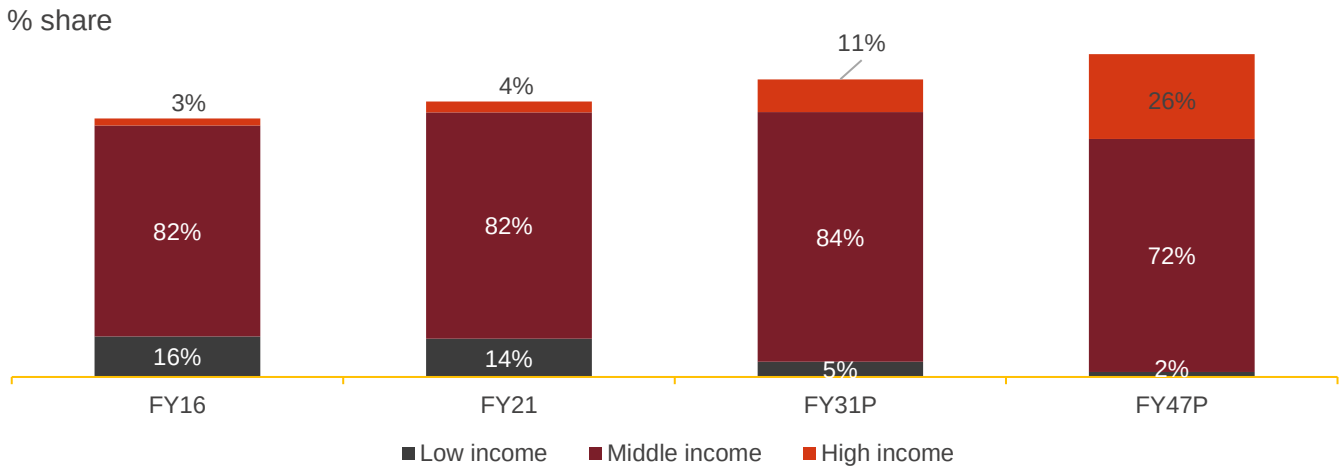
| Country | 0-14 years | 15-24 years | 25-49 years | 50-69 years | 70+ | Total |
|---|---|---|---|---|---|---|
| **Brazil** | | | | | | |
| 2010 | 24.8% | 17.7% | 37.6% | 15.6% | 4.4% | 100% |
| 2020 | 20.8% | 15.6% | 38.3% | 19.5% | 5.8% | 100% |
| 2030P | 18.2% | 13.3% | 37.4% | 22.6% | 8.4% | 100% |
| **China** | | | | | | |
| 2010 | 18.5% | 16.6% | 40.3% | 19.0% | 5.7% | 100% |
| 2020 | 18.0% | 11.4% | 37.6% | 25.5% | 7.5% | 100% |
| 2030P | 13.1% | 12.3% | 34.0% | 28.6% | 12.0% | 100% |
| **India** | | | | | | |
| 2010 | 31.0% | 19.1% | 33.9% | 12.9% | 3.1% | 100% |
| 2020 | 26.1% | 18.2% | 36.2% | 15.5% | 3.9% | 100% |
| 2030P | 22.3% | 16.2% | 38.0% | 17.9% | 5.5% | 100% |
| **Russian Federation** | | | | | | |
| 2010 | 15.2% | 14.6% | 37.2% | 23.2% | 9.8% | 100% |
| 2020 | 17.7% | 9.8% | 37.4% | 25.5% | 9.7% | 100% |
| 2030P | 15.4% | 12.4% | 33.8% | 25.2% | 13.3% | 100% |
| **UK** | | | | | | |
| 2010 | 17.6% | 13.1% | 34.8% | 22.9% | 11.6% | 100% |
| 2020 | 17.8% | 11.6% | 32.5% | 24.4% | 13.7% | 100% |
| 2030P | 15.4% | 12.2% | 31.9% | 24.5% | 15.9% | 100% |
| **US** | | | | | | |
| 2010 | 19.9% | 14.1% | 34.1% | 22.8% | 9.1% | 100% |
| 2020 | 18.5% | 13.1% | 33.0% | 24.7% | 10.7% | 100% |
| 2030P | 16.4% | 12.5% | 33.2% | 23.0% | 14.8% | 100% |

*P - projections*
*Source: UN, Department of Economic and Social Affairs, Population Division (2022), World Population Prospects 2022, CRISIL MI&A*

**Decline in poverty levels indicates rise of middle- and high-income groups in India**

The proportion of poor in India (defined as those living on Rs 125,000 per annum or less) declined from ~16% in fiscal 2016 to ~14% in fiscal 2021. Conversely, the proportion of those in the middle- and high-income groups increased from 85% to ~86%. By fiscal 2031, this share is expected to reach ~95%, supported by growth in per capita income.

**Income-based split of the population**

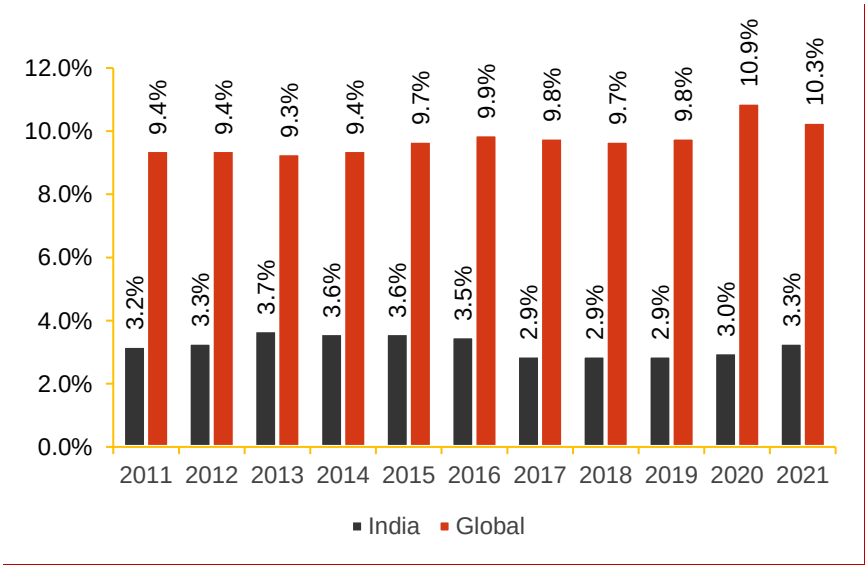



*P - projections*
*Note: Low-income group comprises those earning less than Rs 125,000 per annum, middle-income group comprises those earning between Rs 125,000 and Rs 3 million per annum, and high-income group comprises those earning more than Rs 3 million per annum. Percent figures are rounded off*
*Source: People Research on India's Consumer Economy (ICE) 360° survey, CRISIL MI&A*

**India lags other economies in healthcare expenditure**

According to the Global Health Expenditure Database, India's healthcare expenditure accounted for 3.3% of its GDP in 2021. This places India behind not only developed countries, such as the US and the UK, but also several developing countries such as Brazil, Malaysia, Nepal, Sri Lanka and Thailand. Furthermore, India's public spending on healthcare services is considerably lower than its global counterparts. For instance, India's per capita expenditure on healthcare, calculated at an international dollar rate, was a mere $74 in 2021, compared with the global average of US$1,265. In contrast, the per capita expenditures of the US, the UK, and Singapore were significantly higher – $12,012 for the US, $5,738 for the UK, and $3,970 for Singapore.

**CHE as a percentage of GDP – India vs global**

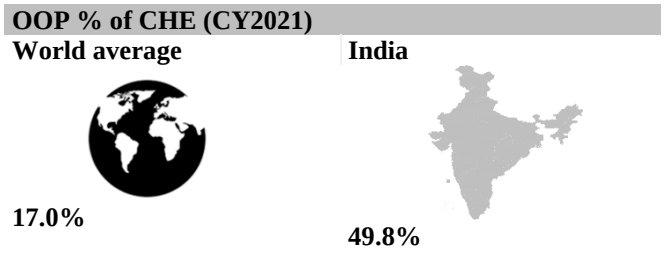



**Per capita CHE (2021)**

| Country | $ |
|---|---|
| US | 12,012 |
| UK | 5,738 |
| Japan | 4,347 |
| Singapore | 3,970 |
| Korea, Rep. | 3,260 |
| **World** | **1,265** |
| Brazil | 761 |
| China | 671 |
| Malaysia | 487 |
| Indonesia | 161 |
| India | 74 |
| Bangladesh | 58 |

*Source: World Bank, CRISIL MI&A*

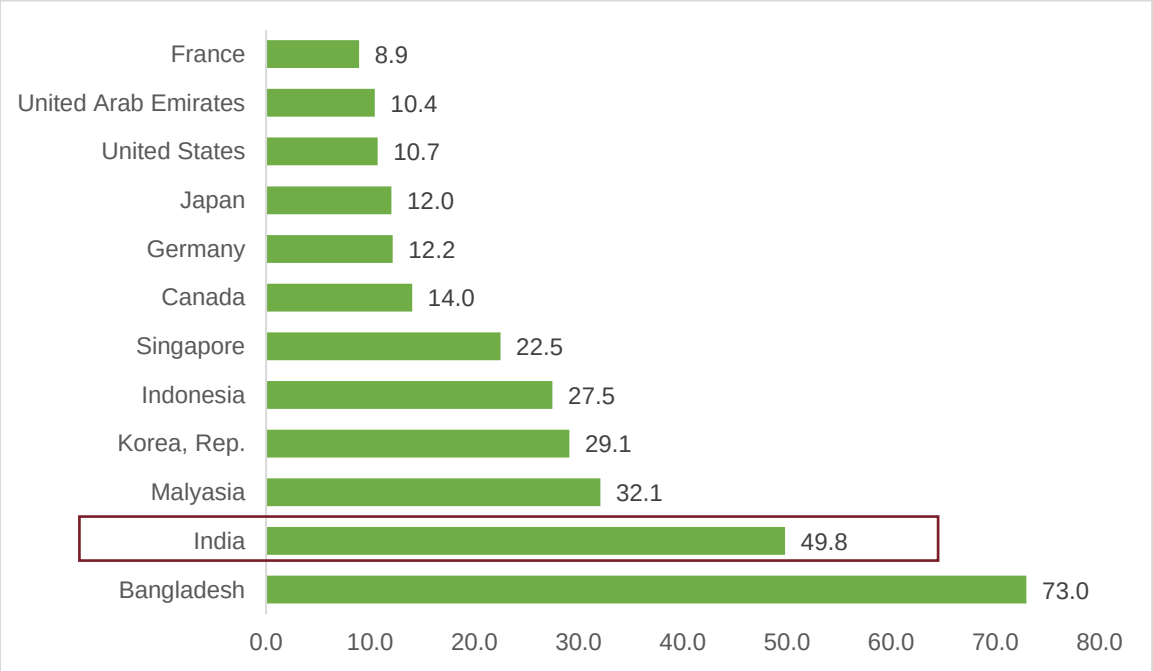
**Out-of-pocket expenditure on healthcare in India is one of the highest globally**




*Source: World Bank, CRISIL MI&A*

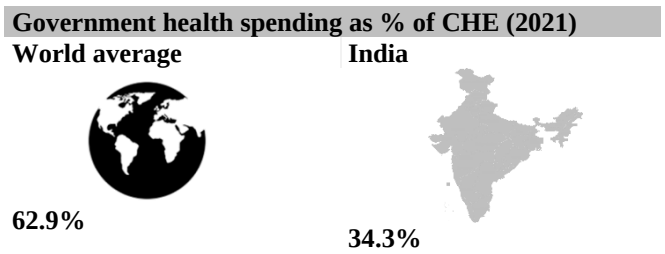
The Indian government's spending on healthcare is lower than the size of the economy warrants, which leads to high out-of-pocket (OOP) expenditure. India's OOP expenditure as a percentage of current health spending was 49.8% in 2021, significantly above the global average of 17.0%, and among the highest in the world. Furthermore, in India, majority of insurance cover does not cover outpatient treatments, which also makes OOP due to outpatient greater in comparison to inpatient treatments. However, the government has introduced schemes such as Ayushman Bharat Pradhan Mantri Jan Arogya Yojana, state-sponsored health insurance (AB-PMJAY State Extension Schemes), Employees' State Insurance Scheme and Central Government Health Scheme to increase the coverage of medical insurance.

**OOP expenditure as a percentage of health expenditure in 2021**




*Source: World Bank, CRISIL MI&A*

**Share of government spending in total health expenditure one of the lowest globally**

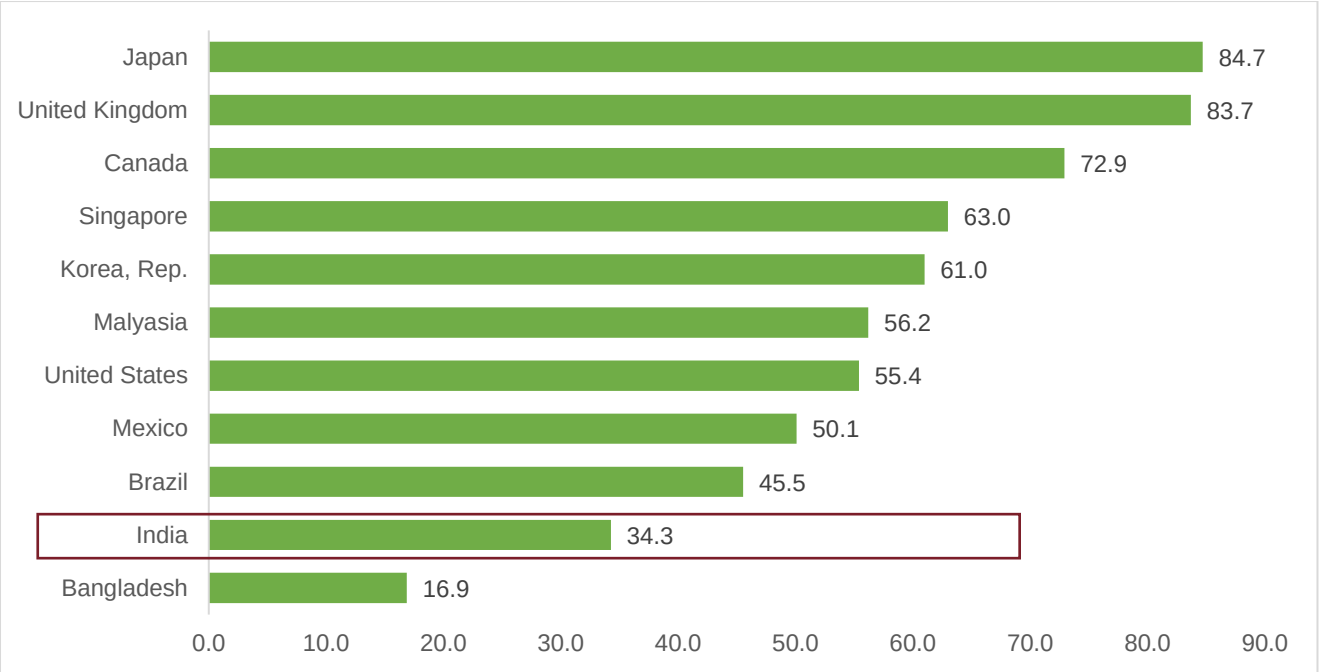



*Source: World Bank, CRISIL MI&A*

The share of domestic government health expenditure, or GHE, (% of CHE) in India is still one of the lowest among emerging as well as developed economies. For instance, in 2021, the share of GHE in total CHE of developed countries such as the US, the UK and Japan was 55.4%, 83.7% and 84.7%, respectively. Even in developing countries, the share of government spending on health as a percentage of CHE was higher than in India. In Indonesia and Malaysia, the share of GHE was 59.4% and 56.2%, respectively, whereas, in India, it was just 34.3%. Overall, as well, the share of GHE as a percentage of CHE was less than the

global average of 62.9%.

**Country-wise comparison of GHE (% of CHE in 2021)**

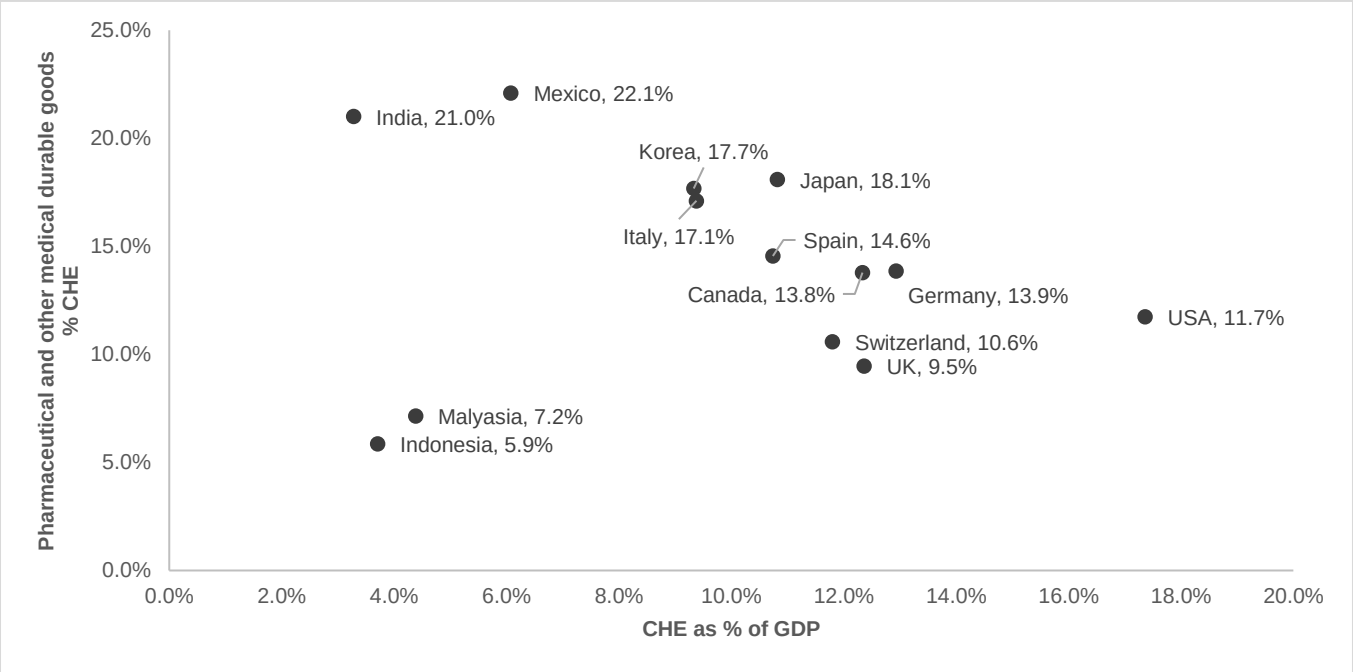



*Source: World Bank, CRISIL MI&A*

**India's share of pharmaceuticals in CHE one of the highest globally**

According to data published by WHO, India's spending on pharmaceuticals and other medical durable goods as a percentage of CHE was 21% in 2020, which is one of the highest globally. Other countries with a similar range are Mexico (22.1%), Korea (17.7%), Italy (17.1%) and Japan (18.1%).

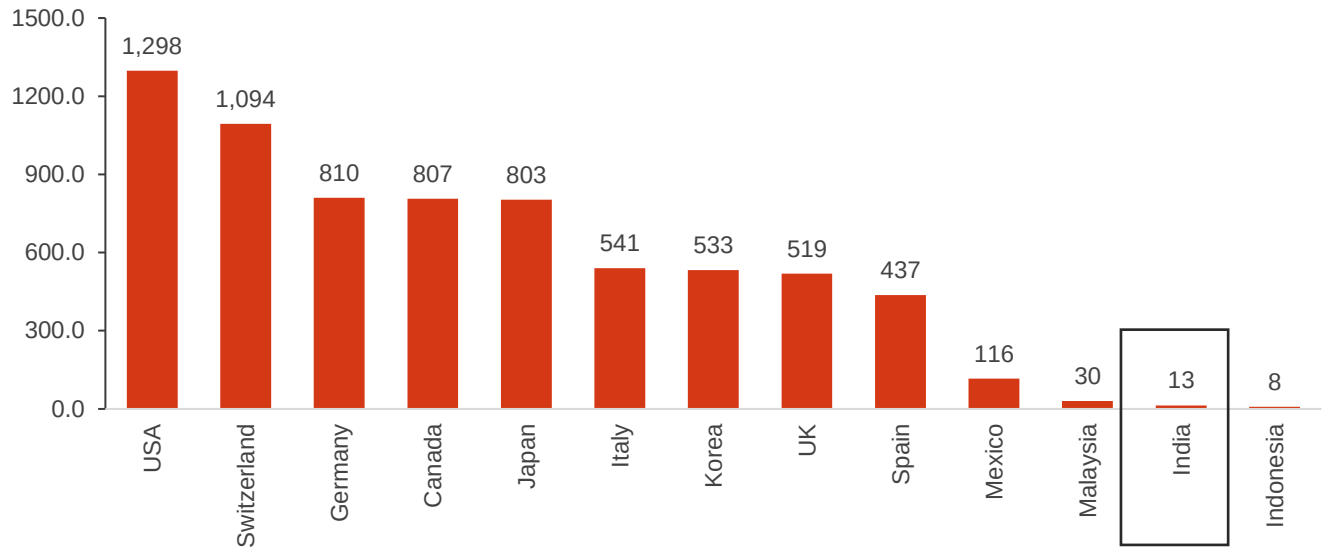
**Share of pharmaceuticals in CHE in 2021**




*Note: Values for pharmaceutical spend for India, Indonesia and Japan are as of 2020*
*Source: Global Health Expenditure Database – WHO, CRISIL MI&A*

However, due to lower CHE spending, per capita pharmaceuticals and other medical durable goods spending for India was comparatively lower at ~$13 in 2020, in contrast to the top spending countries – the US ($1,298), Switzerland ($1,094) and Germany ($810) in 2020.

**Pharmaceuticals and other medical durable goods, in current $ per capita in 2020**




*Source: Global Health Expenditure Database – WHO, CRISIL MI&A*

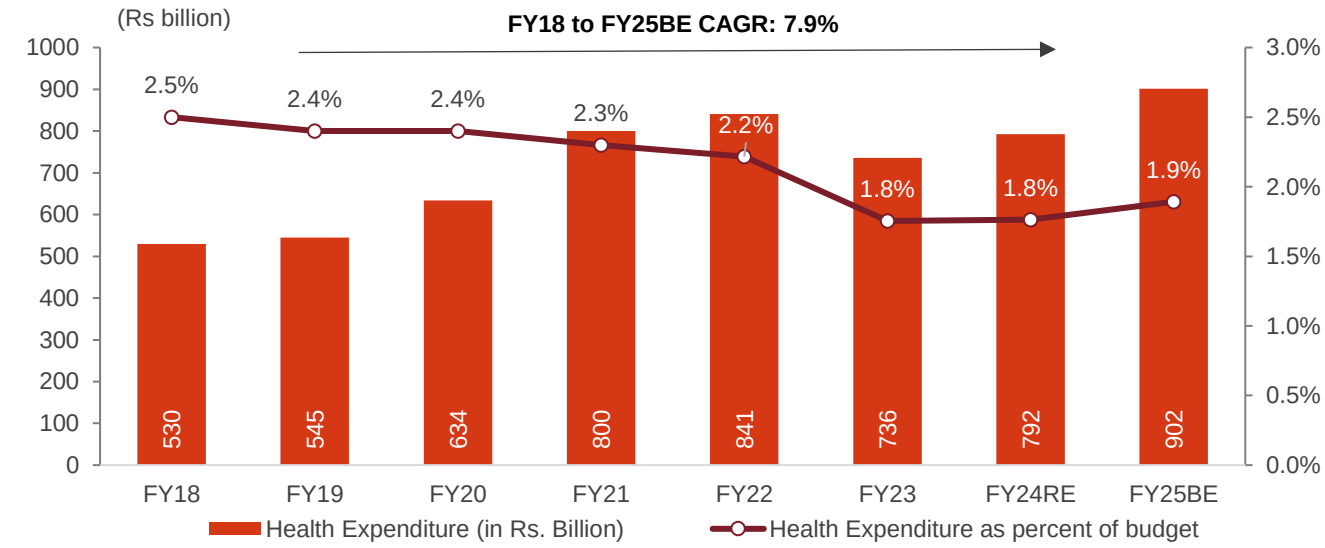
**Government health spending in absolute terms between fiscals 2018 and 2025**

In absolute terms, the government's allocation to healthcare has increased from Rs 530 billion in fiscal 2018 to Rs 902 billion for fiscal 2025 (budgeted estimates), at a CAGR of 7.9%. However, as a percentage of the Union Budget 2024-25, the allocation has decreased to 1.9% from 2.5% in fiscal 2018.

While healthcare expenditure increased a significant ~26% on-year in fiscal 2021, following the onset of Covid-19, with allocation of funds for pandemic-related measures such as vaccination drives sustaining in fiscal 2022, it declined ~8% on-year in fiscal 2023 with the withdrawal of pandemic support as infections subsided.

In fiscal 2024, healthcare allocation in the budget rose ~7.7% on-year, driven by increase in expenditure on schemes such as Pradhan Mantri Atmanirbhar Swasth Bharat Yojana, which aims to establish primary healthcare infrastructure, Pradhan Mantri Swasthya Suraksha Yojana, which focuses on setting up new All India Institute of Medical Sciences hospitals and enhancing facilities at government medical colleges in states, and PMJAY, a health insurance scheme. Additionally, the budget's allocation to healthcare has increased ~13.8% on-year for FY25, improving the share of healthcare allocation in the total budget to 1.9%.

**Budgetary allocation for healthcare over the years**




*RE: Revised estimates; BE: Budget estimates*
*Source: Budget documents, CRISIL MI&A*

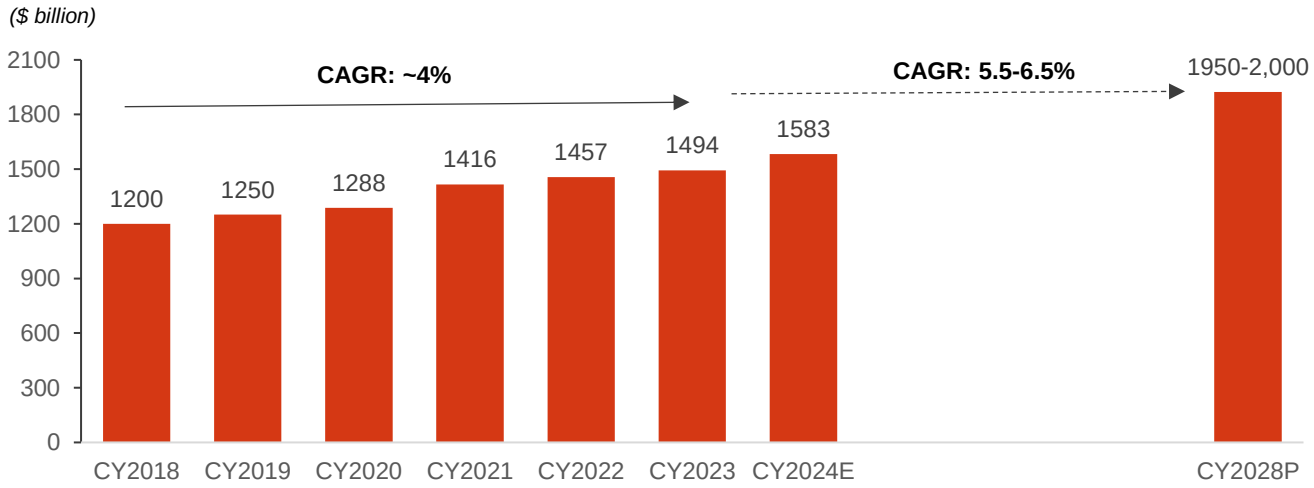
## 3. Assessment of pharmaceuticals market

The global pharmaceuticals industry is traditionally characterised by the concentration of consumption, production, and innovation in a relatively small number of high-income and developed regions such as North America and Europe, which continue to account for a major chunk of this market in value terms on account of higher priced drugs and newer products. However, over the past few years, production as well as consumption have picked up in middle-income countries, such as India, China and Brazil; these 'pharmerging' markets also account for a significant share in volume consumption. However, for pharmaceutical research and development (R&D), high-income regions continue to dominate expenditure in both the public and private sectors.

**Global pharmaceutical market to grow at steady 5.5-6.5% CAGR between 2023 and 2028**

The global pharmaceuticals market has logged a CAGR of ~4% from ~$1,200 billion in 2018 to ~$1,494 billion in 2023. After clocking strong growth in 2021 and 2022 on account of pent-up demand, the market is estimated to have moderated in 2023. Pharmaceutical market is estimated to grow at healthy pace aided by volume growth in some of the key pharmerging markets and new product introductions in developed markets. Further , global pharmaceutical market is expected to sustain 5.5-6.5% CAGR from 2023 to 2028 to reach ~$1,900 to $1,950 billion by 2028. Globally, pharmaceutical companies are offering drugs for customized treatment and precision medicine for different diseases, which aim to provide medical care according to the patient's individual characteristics, needs, preferences, and genetic make-up. Also, generic medicines are seeing increased uptake with cost advantages and effective treatment options.

**Global pharmaceuticals market by value**

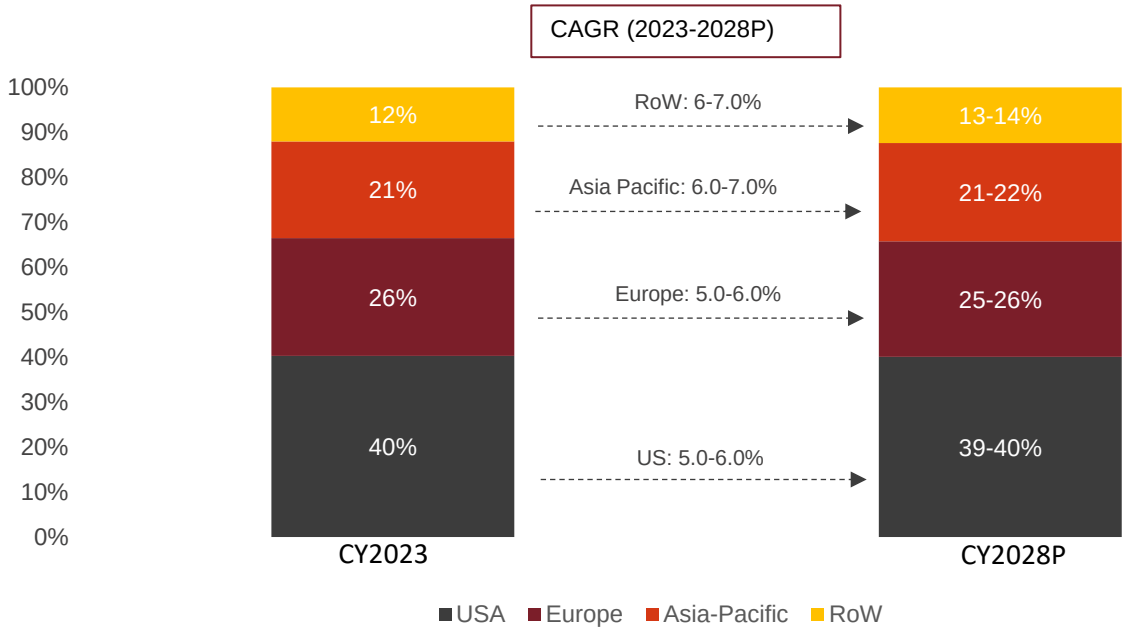



*Note: E-estimates, P-projections, CY-calendar year*
*Source: Pharma company reports, CRISIL MI&A*

**US expected to continue holding major share of global pharmaceuticals industry**

As of 2023, the US led the global pharmaceutical consumption in value terms. The US has been the dominant market in the global pharmaceuticals industry and constitutes ~40% of the overall consumption of the global pharmaceuticals market. It is followed by Europe, which accounts for ~26% of the global pharmaceuticals market. The Asia-Pacific region accounts for ~21% share in the global pharmaceuticals market with countries such as India and China, which are among the fastest growing markets. The overall share of the Asia Pacific region in the global pharmaceuticals market is projected to increase to ~22% by 2028. Another emerging market of South America constituted around 4% of the global pharmaceuticals market.

**Segmentation of global pharmaceuticals market based on region**




*Note:P-projections*
*The overall pharmaceuticals market stood at ~$1,494 billion in 2023; the RoW market consists of markets excluding the US, Europe and the Asia Pacific*
*Source: CRISIL MI&A*

**India becoming a key market for pharmaceuticals**

The Indian pharmaceuticals industry is the world's third largest by volume and was valued at Rs 3.6-3.8 trillion (including bulk drugs and formulation exports) as of fiscal 2024. At present, low-value generic drugs constitute a large part of India's exports. India accounts for ~3.5% of total drugs and medicines exported globally, and exports pharmaceuticals to more than 200 countries and territories, including highly regulated markets such as the US, the UK, the European Union and Canada. India has a complete ecosystem for the development and manufacturing of pharmaceuticals, with companies having state-of-the-art facilities and skilled/technical manpower. Moreover, India has several renowned, pharmaceutical, educational and research institutes and a robust ecosystem of allied industries.

**Significant R&D spends to continue to boost pharmaceuticals growth across major markets such as North America and Europe**

The global pharmaceuticals market is dominated by developed markets such as North America and Europe, supported by higher uptake of innovative medicines and increased spend on healthcare. These developed markets are characterised by higher research and development spend in the pharmaceuticals industry. As per the Pharmaceutical Research and Manufacturers of America (PhRMA), the United States biopharmaceuticals industry has been one of the world leaders in the development of new medicines. Over the last decade, PhRMA member companies have more than doubled their annual investment in the search for new treatments and cures, including nearly $101 billion in 2022 alone. Similarly, as per the European Federation of Pharmaceutical Industries and Association (EFPIA), in Europe, the pharmaceutical R&D investment was ~€47 billion in 2022.

Emerging economies in Latin America and the Asia-Pacific such as Brazil, China and India, are also witnessing rapid growth in the pharmaceuticals market as a result of a gradual shift of manufacturing and research activities from developed markets to these fast-growing markets. In India, along with developing capabilities via the inorganic route, companies are also looking at strengthening their in-house product pipelines through increased R&D investment.

**Key growth drivers for global pharmaceuticals industry**

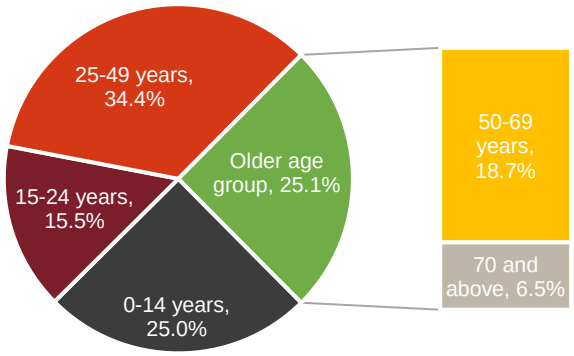
The global pharmaceuticals market is expected to be driven by the following factors:

**Rise in ageing population**

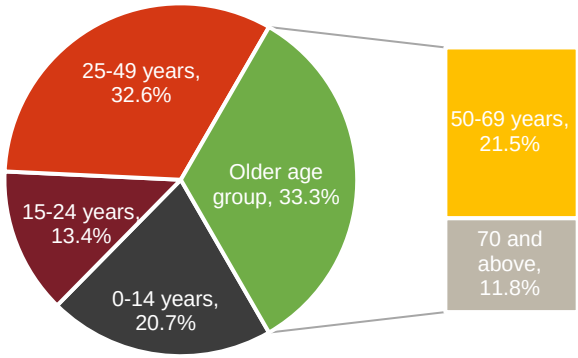
The share of older population (50 and above) formed 25.1% of the total population in 2023. Moving forward, the share of older population is projected to increase further and account for ~27.4% and 33.3% of the overall population by 2030 and 2050, respectively. Additionally, older population forms a dominant share in developed countries (~39.2% in 2020), compared to

lesser developed countries, where the older population comprised 17.3% in 2020. This rise in the older population along with the growing prevalence of a sedentary lifestyle is expected to increase the occurrence of chronic and lifestyle diseases. Healthcare needs of this aging group is expected to drive the growth of the global pharmaceuticals industry.

**Population break-up 2023**




**Population break-up 2050P**




*Source: United Nations World Population Prospects 2022, CRISIL MI&A*

**Growing prevalence of chronic diseases**

The incidence and prevalence of chronic diseases is increasing rapidly all around the world. The rising incidence of diseases such as cancer, cardiovascular diseases, obesity, and diabetes, is likely to drive demand for pharmaceuticals and chronic therapies, and can have a significant impact on the economy of a country.

According to the Organization for Economic Co-operation and Development's (OECD's) Health at a Glance 2023 report, more than one-third of people aged 16 and over reported living with a longstanding illness or health problem on average across 24 OECD countries in 2021. Cardiovascular diseases are found to be most prevalent across the world and are the leading causes of death causing an estimated 17.9 million deaths each year. According to Indian Council of Medical Research – India Diabetes (ICMR INDIAB) study published in 2023, it is estimated that in 2021, 101 million people had diabetes, and the number with prediabetes was 136 million. About 315 million people in India had hypertension, 254 million had generalised obesity, and 351 million had abdominal obesity. In addition, 213 million people had hypercholesterolaemia and 185 million had high LDL cholesterol. Anti-Diabetes is one of the key therapeutic areas in the Indian formulation industry and is valued at approximately Rs 182 billion as of fiscal 2024 and is expected to clock strong growth of CAGR of 10-11% from FY24-29 compared to CAGR 7.2% over FY19-24. Increasing number of chronic diseases are expected to further increase the demand for drugs and accelerate the development of pharmaceuticals globally.

**Better access to medicine in emerging markets**

With the world's population reaching ~8 billion in 2024, per capita usage of medicine per person per day is also estimated to have increased. Much of the increased usage has been driven by emerging pharmaceutical markets, such as China, India, Brazil and Indonesia, where there has been a substantial rise in average medicine volume usage. This increased level of medicine usage is a reflection of both a very basic healthcare infrastructure and ease of access for medicines where even the most complex medicines can be readily available. The gap in average medicine usage between developed markets and emerging markets is closing, owing to reasons such as increased per capita income, improvement in healthcare infrastructure, and increase in insurance coverage. The rise of government safety nets and private insurance are also key factors that will increase medicine volume usage across emerging markets. The extent and pace of investments, both public and private, will be a key determinant of continued increase in medicine usage.

**Strong development of market for generic formulations**

Developed economies spend a significant portion of their GDP on healthcare expenditure. Going forward, demand for pharma products in the developed markets is expected to be driven by factors such as an ageing population and the growing incidence of chronic diseases.

Healthcare reforms in the US have resulted in higher insurance coverage and greater usage of generic medicines. The US is the largest pharmaceuticals market for both innovator brands and generic drugs. It has been at the forefront of medicine research and healthcare spending. Driven by the Hax-Watchman Act, the generic drugs industry in the US has grown tremendously over the years. The Hax-Watchman Act is a US federal law introduced in 1984 to regulate procedures for approval and marketing

of generic drugs in the country. Driven by greater dependence on generic medicines and enactment of the Patient Protection and Affordable Care Act, growth in the generic drugs market in the US is expected to continue.

Increased preference for affordable healthcare along with favourable regulatory environment for generic medicines such as the Hax-Watchman Act and Generic Drug User Fee Amendments (GDUFA) are expected to drive growth in the generic drugs market in the US.

In Europe, it is expected that austerity measures adopted by the government will continue to drive demand for generic drugs. The key growth driver for the European market will be underpenetrated generic markets, such as Belgium (16.6%), the UK (28.0%), France (19.5%) and Germany (23.0%), which indicate tremendous untapped potential for growth of generic medicines.

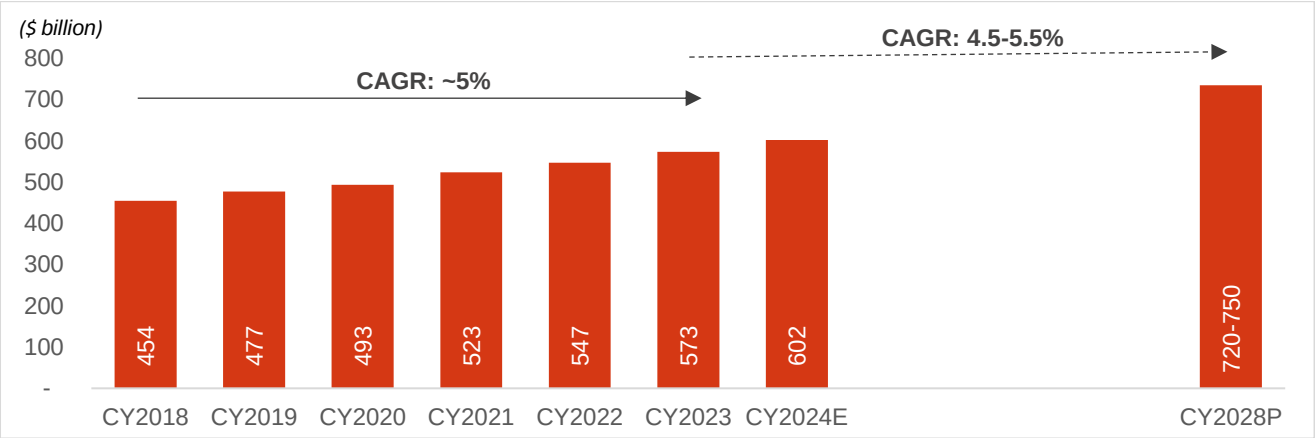
## 4. Overview of global generic pharmaceuticals market

The generic pharmaceuticals industry has been a significant part of the global pharmaceuticals industry. Generics have allowed people to access medicine at affordable prices. North America has been one of the key markets for the generic formulations industry as generic players across the world try to tap into opportunities created by patent cliffs. Patent cliffs are one of the significant factors for the generics industry as they provide the opportunity to develop generic products after the patent for the original drug expires. Generics drug have also penetrated the emerging and underdeveloped markets on account of their cost effectiveness.

### Global generic pharmaceuticals market to log 4.5-5.5% CAGR from 2023 to 2028

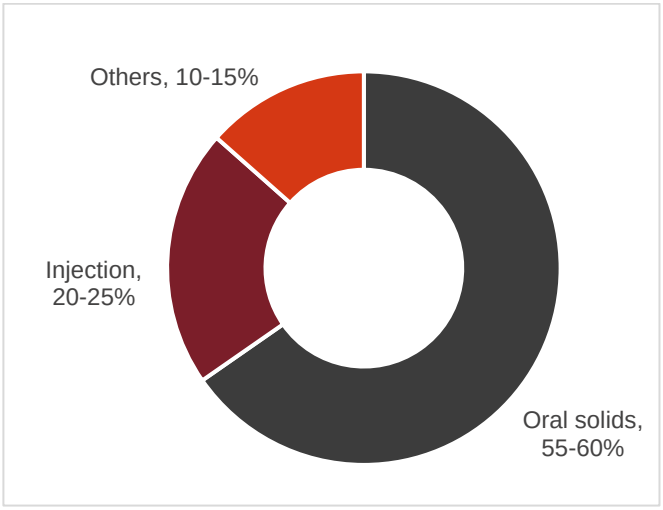
The global generic pharmaceuticals market has grown at ~5% CAGR from 2018 to 2023 and is expected to grow at 4.5-5.5% CAGR between 2023 and 2028. Growth in the generic pharmaceuticals market is supported by patent cliffs in the regulated market as well as generic penetration in the underdeveloped markets. The share of the generic formulations market in the overall pharmaceuticals market has also increased over the years. The share of the generic formulations market was 36-38% in 2023, which is expected to touch 37-39% by 2028. The global generic formulations market is expected to reach $720-750 billion by 2028 owing to strong growth prospects for the generic formulations market.

### Global generic formulations market




*Note: E-estimations, P-projections*
*Source: Industry, CRISIL MI&A*

**Oral solids dominated generic formulations market in 2023**



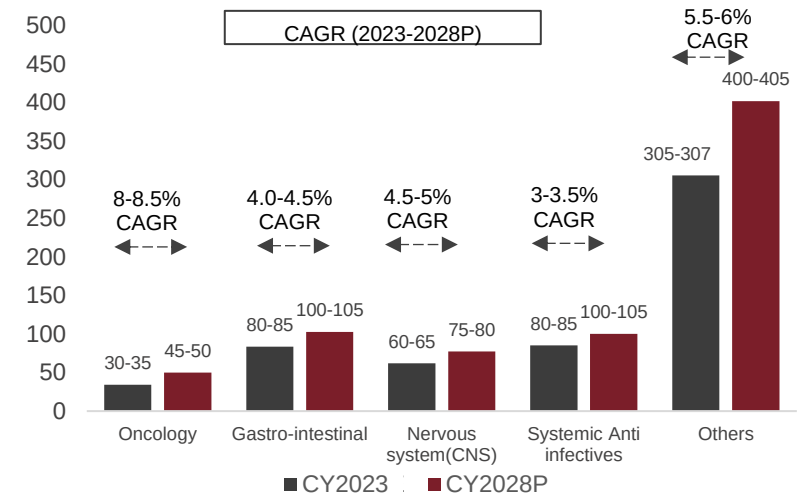

The global generic pharmaceuticals market mainly comprises two routes of administration: oral solids and injections, though other routes of administration such as cutaneous are also present in the market. Oral solids have been the largest dosage form provided by the generic formulation players mainly because of the convenience offered in terms of application, followed by injections. In 2023, oral solids were estimated to have contributed 55-60% to the overall generic formulations markets, followed by injections at 20-25%. However, injections are finding increasing acceptance in the generic formulations market, which is expected to positively impact the segment's market share.

*Source: Industry, CRISIL MI&A*

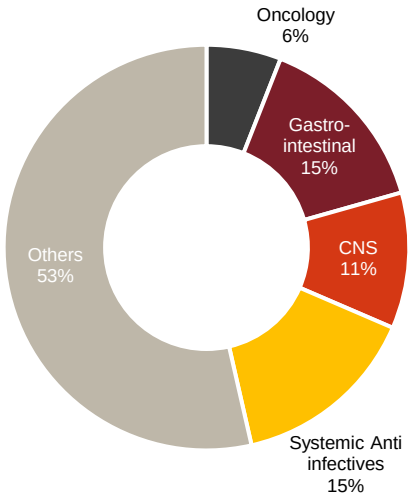
**Gastrointestinal, anti-infective therapies key sub-segments in generic formulations market**

The nervous system, gastrointestinal and anti-infective therapies are the key areas catered to by generic formulation players. Gastrointestinal products which largely fall under the sub-chronic and chronic segments have been one of the largest contributors to generic formulations across the globe. Therapy areas such as anti-infective which has traditionally seen lower new drug inventions is also one of the leading segments in the generic formulations market. Furthermore, Oncology, which had a market share of ~6% in 2023, is gaining popularity within the generic segment owing to increasing efforts towards making cancer healthcare more affordable. Subsequently, its overall share is expected to increase further to ~7% by 2028. The nervous system therapies market (CNS) are expected to grow at 4.5-5% over CY 2023-28 period. Certain other therapy areas, including cardiology and respiratory therapies are expected to grow at a CAGR of approximately 5.5-6% from 2023 to 2028

**Segment-wise generic pharmaceuticals market**




**Generic pharmaceuticals market (2023)**




*P-projections*
*Note: Others include therapy areas like Cardiovascular, Respiratory, Dermatology etc.*
*Source: Industry, CRISIL MI&A*

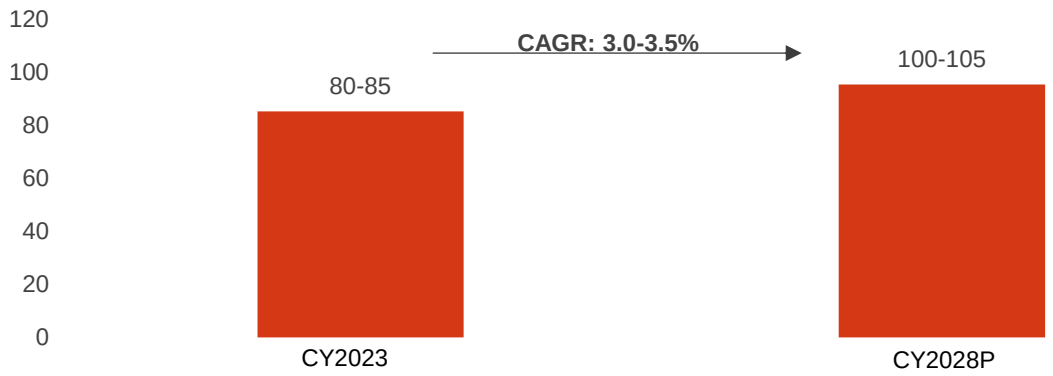
**Overview of the anti-infective segment in the generics formulation industry**

Any medicines capable of inhibiting the spread of infectious organisms are generally described as anti-infectives. They prevent or treat infections and include antibacterials, antivirals, antifungals and antiparasitic medications. In recent times, there has been little innovations in the anti-infective segment as players have focused on other therapeutic areas such as oncology. But as evident during Covid-19, there is a need to invest in research and development activities in the anti-infective segment. Anti-infectives, valued at ~$80-85 billion as of 2023, are expected to grow at a 3.0-3.5% CAGR between 2023 and 2028, supported by increased generic drug penetration, increased R&D on multi-drug resistant micro-organisms, but the low cost to benefit ratio

will keep value growth limited. Overall, anti-infective therapy value in generic formulations is expected to reach $100-105 billion by 2028.

In India, the overall anti-infective therapy formulations market, estimated at Rs ~246 billion as of fiscal 2024, is expected to grow at 7.5-8.5% CAGR from fiscal 2024 to fiscal 2029.

**Market size of anti-infective therapy in generics formulation**




*Source: Industry, CRISIL MI&A*

**Increasing prevalence of infectious diseases**

There have been large pandemics such as plague, smallpox, cholera, and influenza outbreaks with Covid-19 being the recent example. Apart from these pandemics, chronic infectious diseases such as tuberculosis and syphilis have also been prevalent. The damage done by infectious diseases calls for more advanced and evolving medications to treat these diseases. More investments in the anti-infective segment are expected to prevent and treat infectious diseases and drive the segment's growth.

**Increasing antibiotic resistance/AMR(Antimicrobial Resistance) calls for investments in novel anti-infective drugs**

Antibiotics are used to prevent and treat bacterial infections. Antibiotic resistance occurs when infectious microbes do not respond to treatment and become antibiotic-resistant. When these microbes infect human beings and animals, the infections are harder to treat than those caused by non-resistant microbes. Antibiotic resistance leads to higher healthcare costs, prolonged hospital stays, and increased mortality.

Antibiotic resistance occurs naturally, but the process gets accelerated due to misuse of antibiotics. A growing number of infections such as gonorrhoea, tuberculosis, pneumonia, and salmonellosis have become difficult to treat as antibiotics used to treat them have become less effective.

The emergence and spread of drug-resistant pathogens continues to challenge healthcare system’s ability to treat common infections. The rapid global spread of multi-resistant bacteria (known as “superbugs”), which cause infections that existing antimicrobial medicines such as antibiotics fail to treat is also one of the significant factors.

According to WHO Global Antimicrobial Resistance and Use Surveillance System (GLASS) Report 2022, antimicrobial resistance (AMR) is among the top 10 global health threats. Resistance of pathogens to antibiotics (antibiotic resistance) is an urgent global public health and socioeconomic problem. Modern medicine depends on effective antimicrobial medicines, yet high rates of resistant infections across a broad range of microorganisms have been documented in all World Health Organization (WHO) regions. The World Bank estimates that up to 3.8% of the global GDP could be lost due to AMR by 2050. Although the overuse or misuse of antibiotics are primary drivers of AMR, other multiple interconnected factors also contribute to the issue. AMR rates documented in several low- and middle-income countries (LMICs) have been higher compared with high-income countries, despite a lower per-person consumption of antibiotics in the former.

In India, as per the Antimicrobial Resistance Research and Surveillance Network report published by Indian Council of Medical Research, Macrolides (Erythromycin, Azithromycin) resistance in S. Pneumonia is ~65% in India.

According to report in 2019 by Ad hoc Interagency coordination group (IACG) on Antimicrobial resistance in association with United Nations (UN) Secretary-General, Food and Agriculture Organization of the United Nations (FAO), the World Organisation for Animal Health (OIE) and WHO , drug-resistant diseases has already cause at least 0.7 Mn deaths globally a year between 2016-2019. As per the report, this figure could increase to 10 million deaths globally per year by CY 2050 under the most alarming scenario if no action is taken. As per Centre for Disease Control(CDC), USA each year, nearly 2.8 million people in the United States acquire an infection while in a hospital, resulting in 35,000 deaths.

Additionally, recent studies position AMR as one of the leading causes of death worldwide, with the highest mortality in low resource settings. However, the exact morbidity and mortality associated with AMR is very difficult to establish and in many settings, no reliable estimates are available. These knowledge gaps emphasise the need to foster studies on AMR attributable mortality and morbidity using standardised methods.

**Non-communicable diseases are the leading cause of death globally**

In 2019, the top 10 causes of death accounted for 55% of the 55.4 million deaths worldwide.

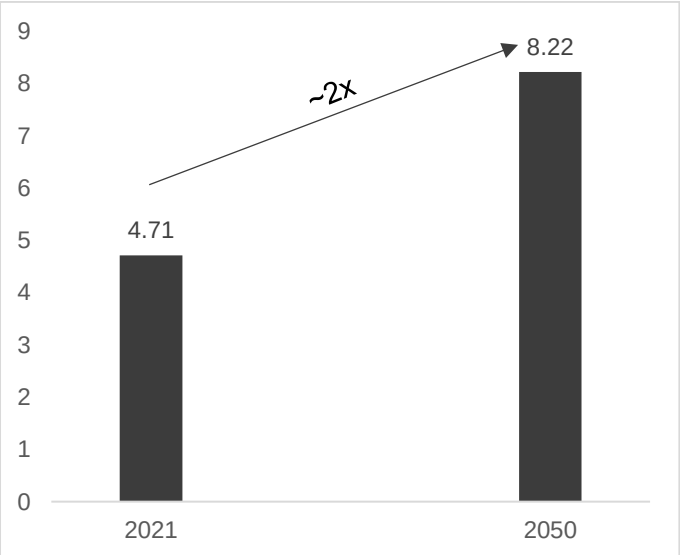
| S. no | Causes of death/diseases/infection | Deaths in million | Ranking of cause of death |
|---|---|---|---|
| 1 | Cardiovascular diseases | 17.8 | - |
| 1.1 | Ischemic heart disease | 8.9 | 1 |
| 1.2 | Stroke | 6.2 | 2 |
| 2 | Respiratory diseases and infections | 6.7 | - |
| 2.1 | Chronic obstructive pulmonary disease | 3.2 | 3 |
| 2.2 | Lower respiratory infections | 2.6 | 4 |
| 3 | Neonatal conditions | 2 | 5 |
| 4 | Cancers | 9.2 | - |
| 4.1 | Trachea, bronchus, lung cancers | 1.7 | 6 |
| 5 | Alzheimer disease and other dementias | 1.6 | 7 |
| 6 | Diarrhoeal diseases | 1.5 | 8 |
| 7 | Diabetes mellitus | 1.5 | 9 |
| 8 | Kidney diseases | 1.3 | 10 |
| 9 | AMR | 0.7 | - |
| 10 | HIV/AIDS | 0.675 | 19 |
| 11 | Tetanus | 0.047 | - |

*Source: Global Health Estimates 2019, Ad-hoc Inter-agency coordination group (IACG) on antimicrobial resistance, CRISIL MI&A*

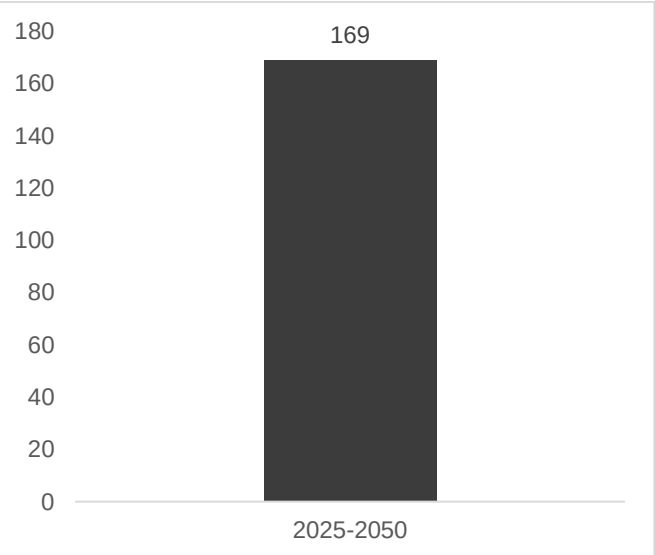
Further, AMR is becoming a challenge for the overall healthcare system. As per the study' Global burden of bacterial antimicrobial resistance 1990–2021: a systematic analysis with forecasts to 2050' It is estimated that globally, 4.71 million deaths were associated with AMR in the year 2021 and going ahead the total number of deaths are expected to reach 8.22 million in the year 2050 which is almost ~2x rise from the 2021 levels. Also, as per this study, cumulative deaths associated with AMR to be ~169 million in the period 2025 to 2050.

Also, as per the study titled 'Tackling drug-resistant infections globally: final report and recommendations', the healthcare burden due to AMR when accounted economically translates to approximately ~100 trillion economic output at loss by the year 2050 unless there is effective action taken against AMR.

**Annual deaths associated with AMR in millions**



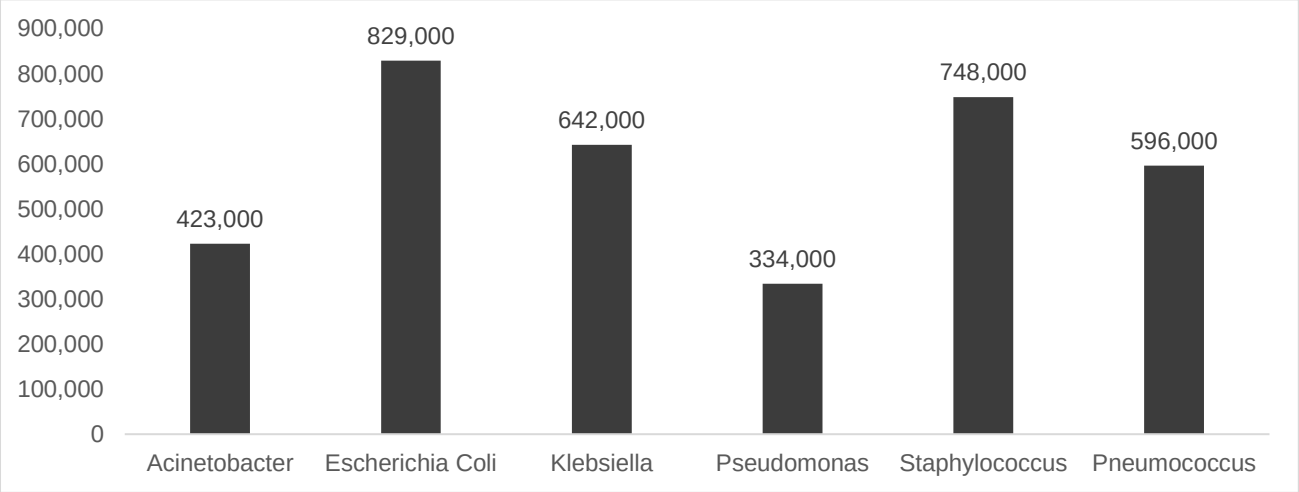

**Cumulative deaths associated with AMR in millions**




*Source: Global burden of bacterial antimicrobial resistance 1990–2021: a systematic analysis with forecasts to 2050, CRISIL MI&A*

In terms of pathogens/bugs, as per the study titled 'Global burden of bacterial antimicrobial resistance in 2019: a systematic analysis' Acinetobacter, Escherichia Coli ,Klebsiella ,Pseudomonas ,Staphylococcus, Pneumococcus are the top-6 pathogen causing deaths associated with AMR.

**Pathogen wise number of deaths associated with Anti-Microbial Resistance**



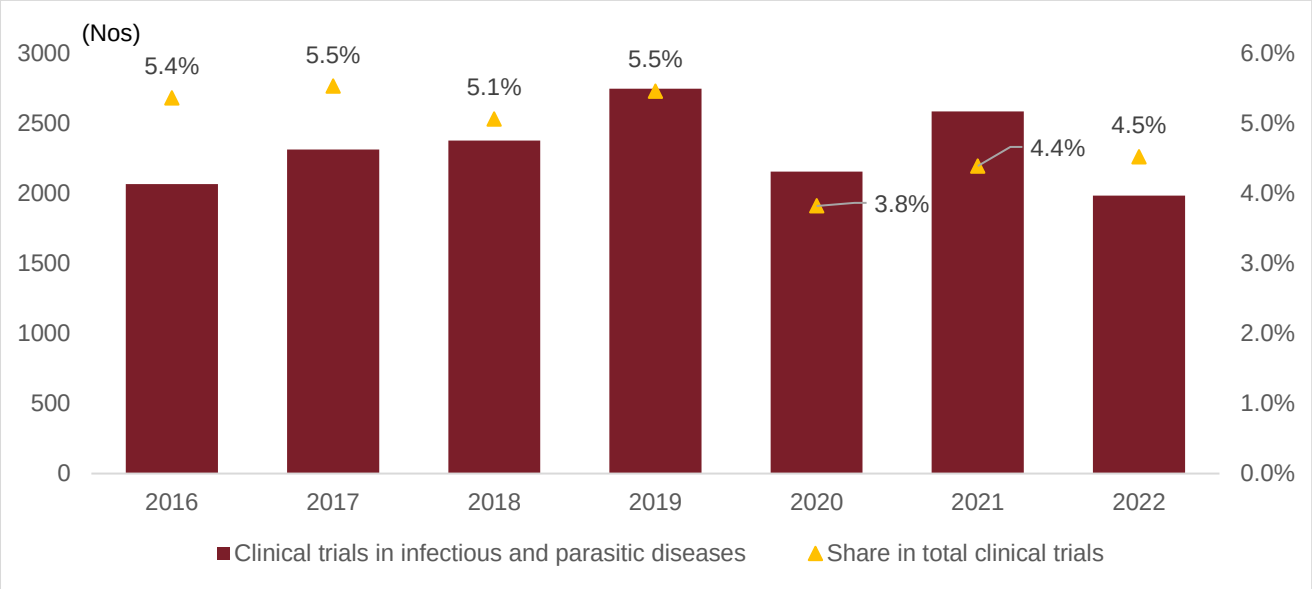

*Source: Global burden of bacterial antimicrobial resistance in 2019: a systematic analysis, CRISIL MI&A*

Additionally, as per the report titled 'Complicated intra-abdominal infections in a worldwide context: an observational prospective study (CIAOW Study)' , Complicated Intra-abdominal Infections (cIAI) which is an infection that extends beyond the hollow organ of origin into the peritoneal space or other sterile area of the abdominal cavity can have mortality rate up to 10%.

**Development of NCE's in anti-infective therapy area**

In the anti-infective therapy area, there has been fewer new drugs discovered in the last few years which could impact the availability of anti-infective drugs for effective treatment of infectious diseases. Novel and improved therapeutic options are required both for numerous existing diseases caused by micro-organisms, and new diseases arising from emerging pathogens. Clinical trials are one of the few indicators to assess extent of innovation and development of new chemical entities in a particular therapy area. As per 2023, World Health Organization's International Clinical Trials Registry Platform, in the year 2022, there were total of 54,952 clinical trials out of which 1,984 were in the area of infectious and parasitic diseases. Clinical trials in the infectious and parasitic disease formed 4.52% of the total clinical trials indicating potential for further improvement of clinical trials in the infectious and parasitic diseases segment.

**Number of clinical trials in infectious and parasitic diseases**




*Source: WHO, CRISIL MI&A*

In the recent years, there have been some of the key anti-infective drugs which have been approved by USFDA indicating traction in the approvals of the drugs in the anti-infective space. Table below shows some of the key anti-infective drugs approved by USFDA in recent years.

**Recent novel drug approvals by FDA in anti-infective therapy area**

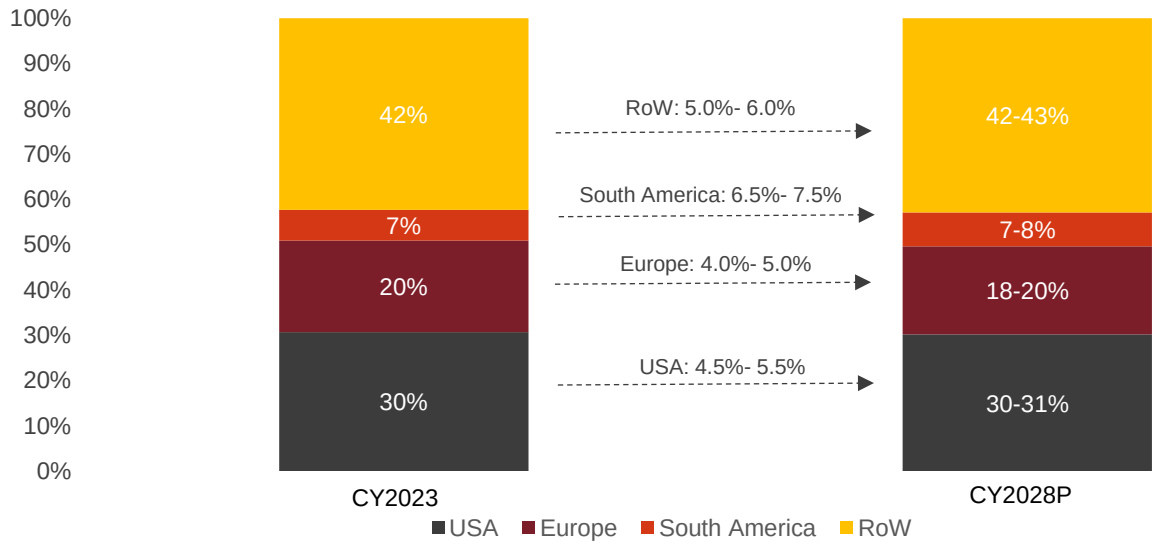
| Drug name | Active ingredient | Indication |
|---|---|---|
| **Zevtera** | ceftobiprole medocaril sodium | To treat certain bloodstream infections, bacterial skin and associated tissue infections, and community-acquired bacterial pneumonia |
| **Xacduro** | sulbactam, durlobactam | To treat hospital-acquired bacterial pneumonia and ventilator-associated bacterial pneumonia caused by susceptible isolates of *Acinetobacter baumannii-calcoaceticus complex* |
| **Voquezna** | vonoprazan, amoxicillin, and clarithromycin | To treat Helicobacter pylori infection |
| **Xenleta** | lefamulin | To treat adults with community-acquired bacterial pneumonia |
| **Nuzyra** | omadacycline | To treat community-acquired bacterial pneumonia and acute bacterial skin and skin structure infections |
| **Solosec** | secnidazole | To treat bacterial vaginosis |
| **Baxdela** | delafloxacin | To treat patients with acute bacterial skin infections |

*Note: The list above is an indicative list and not an exhaustive list*
*Source: USFDA, CRISIL MI&A*

**US and Europe have the highest share in the generics pharmaceuticals market**

Regulated markets such as the United States (US) and Europe dominate the generic pharmaceuticals market. The US was the largest market for generic formulations as of 2023 with a share of around 30%. A strong regulated market as well as generic-centric laws have resulted in good growth for generic pharmaceuticals in the US, which was followed by Europe with a share of around 20%. Growth in regulated markets is supported by R&D investments of generic pharmaceutical players. Growth, especially in the US, can be attributed to generic players registering for ANDA approvals, which enable them to manufacture generic version of the drugs in the country.

**Region wise segmentation of the global generics pharmaceutical market**

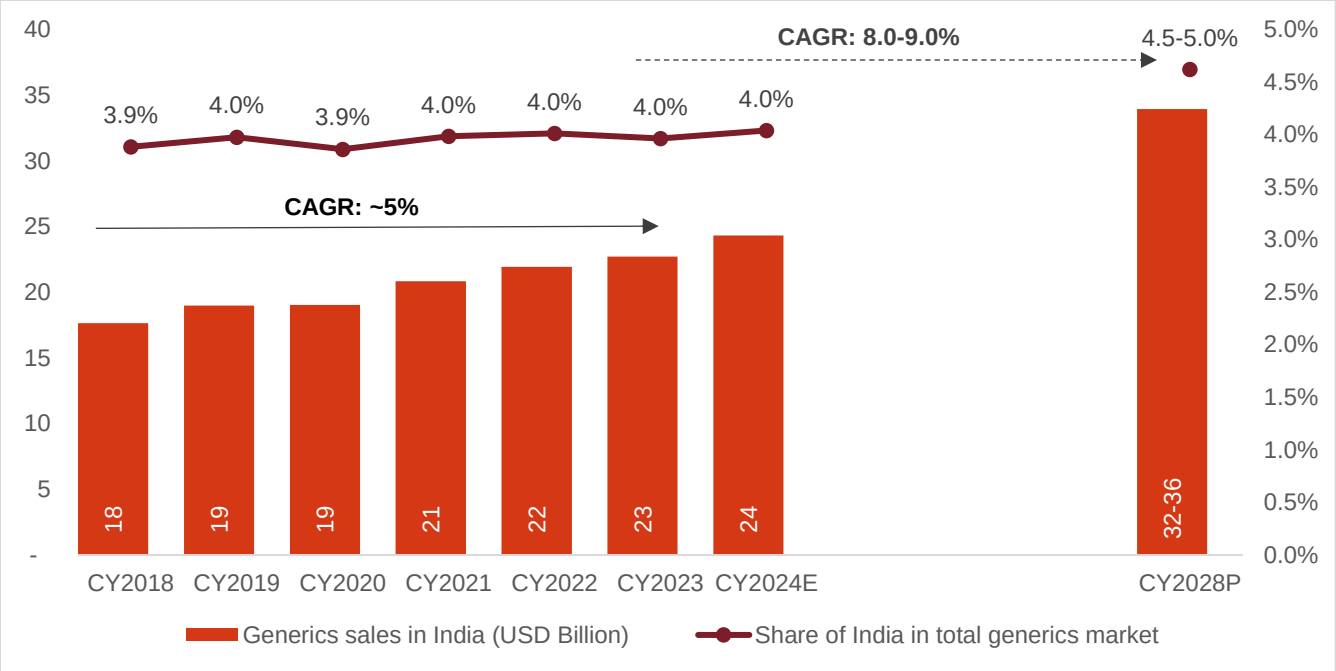



*P- projections*
*Source: Industry data, CRISIL MI&A*

**India's share in the overall generic pharmaceutical market rose to 4% in 2023**

India is the largest provider of generic medicines globally, with its share in the overall generic pharmaceutical market improving

continuously. As of 2023, the Indian generic pharmaceutical market was estimated at ~$23 billion, thereby accounting for 4.0% of the global pharmaceutical market. The Indian generic pharmaceutical industry is expected to register a CAGR of 8.0-9.0% over 2023 to 2028, with its share improving to ~4.5-5.0% by 2028.




*Note: E- estimates, P- projections*
*Source: Industry, CRISIL MI&A*

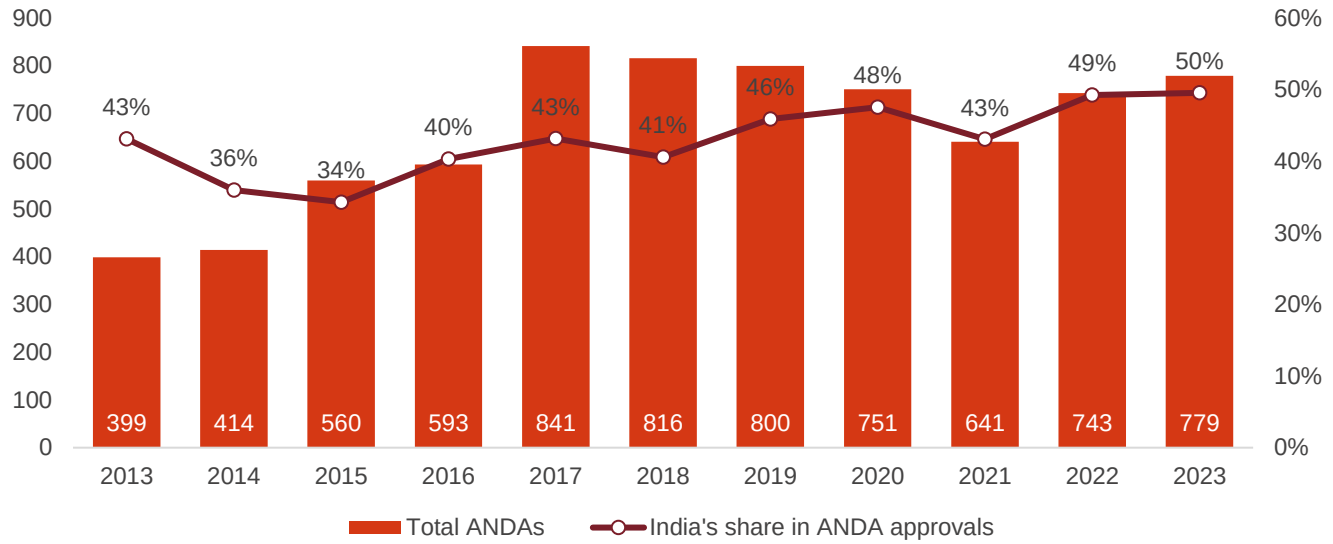
**Indian players to gain volume opportunities in the US due to rising ANDA approval share**

Due to implementation of Generic Drug User Fee Amendments (GDUFA) in October 2012, a large portion of the backlog was cleared by the USFDA by 2017 (calendar year). The number of applications with no communication from the USFDA fell from ~1,700 in 2013 to 218 in April 2018. The competitive intensity peaked in 2017 with higher ANDA approvals and consolidation in the customer base, leading to price erosion.

The number of approvals for Indian players declined in 2018 but remained at higher levels in 2019 and 2020. In 2021, the share of India decreased to 43% primarily due to delayed inspections because of Covid-19. As the inspections resumed, the share of India rebounded to ~49% in 2022. Increasing ANDA approvals leading to new product launches is expected to offset the impact of pricing pressure in US markets. For 2023, India's share in ANDA approvals stood at ~50%.

India's share in ANDA approvals is expected to pick up in the medium term and the launch of new products is expected to offset pricing pressure. Furthermore, the country has the largest manufacturing base outside of the US for products sold in the US market. This, combined with India’s high share in ANDA approvals, is expected to position it better than most other exporting countries to address the growing generic drugs market in the US.

**India's share in ANDA approvals**




*Source: USFDA, CRISIL MI&A*

**Specialty and complex generics – moving from 'nice-to-have' to a 'must-have' business**

A complex generic could have a complex active ingredient, complex formulation, a complex route of delivery, or complex drug-device combinations. While specialty drugs are high-cost prescription medications used to treat complex, chronic conditions such as cancer, rheumatoid arthritis, and multiple sclerosis, they can be used in rare or orphan disease indications. It may have unique storage or shipment requirements and require additional patient education, adherence, and support beyond traditional dispensing activities.

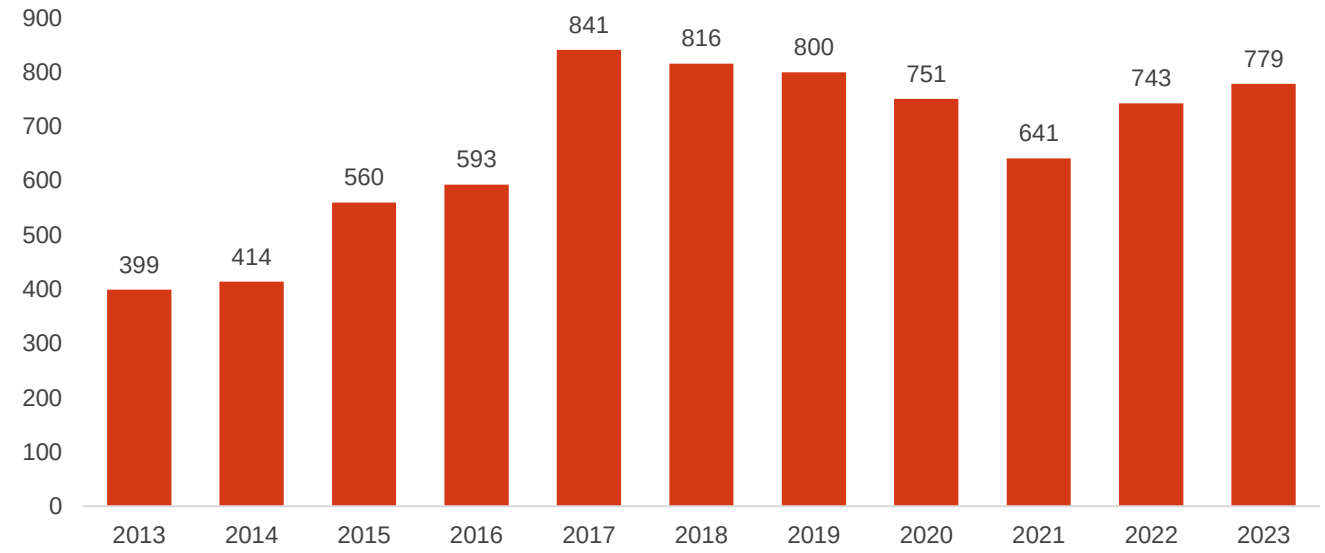
With a declining opportunity in the conventional generics segment and pricing pressures on existing portfolios, Indian players have started to look at high-value and high-margin drugs. These players have been developing niche products to weather the impact of pricing pressure. The number of niche product launches in fiscals 2020, 2021 and 2022 have been high compared with the past few years.

**Entry of smaller players adds to pricing pressure**

The lucrative generic drugs opportunity in the regulated markets, especially in the US and Europe, attracted players from various countries. Over the past few years, many Indian companies, mostly small and mid-sized players, have set up operations in the US and invested in US FDA-approved facilities to capitalise on the generic drugs opportunity. Indian companies, which traditionally used the contract manufacturing route to access regulated markets, have simultaneously obtained ANDA approvals for direct entry into the retail segment. The streamlining of regulations by the US FDA also facilitated the entry of mid and small-sized players after 2012.

Consequently, the number of companies seeking ANDA approvals has increased substantially over the last decade, intensifying competition and resulting in a sharp erosion in the price of generic drugs, especially in the case of large molecules and blockbuster drugs.

**ANDA approvals**




*Source: US FDA, CRISIL MI&A*

**India emerging as the key player in the generic pharmaceutical segment**

India has the largest manufacturing base outside of the US for products sold in the US market as well as the highest number of US FDA approved facilities outside the US. The country also has skilled manpower and advanced process chemistry skills. Some bulk drug manufacturers have forward integrated into pre-formulations (palletisation/ granularisation of bulk drugs before they are converted into finished dosages) as well. Furthermore, manufacturing in India offers a significant advantage in terms of substantial cost savings. Development capabilities and manufacturing quality of Indian pharmaceutical players are on par with peers in other parts of the world. The capital costs associated with setting up of a manufacturing plant are lower in India. Also, the country has specific clusters of pharmaceutical manufacturing facilities which help lower the capital costs further as the supply chain is well connected. The cost of drug manufacturing in India is significantly lower than some of the regulated market, the table below compares some of the key manufacturing regions globally.

**Cost of manufacturing drugs in India, China, Europe and the US**

| Sr. No. | Region/Country | Units |
|---|---|---|
| 1 | **The US** | 100 |
| 2 | **Europe** | 85-90 |
| 3 | **India** | |
| | • USFDA-approved plants | 45-50 |
| | • Others | 35-40 |
| 4 | **China** | 35-40 |

*Note: Costs indexed to the US*
*Source: CRISIL MI&A*

**Cost effectiveness and quality to boost the generics pharmaceuticals market**

Generics are characterised by low costs compared with their branded counterparts. Generics drugs of a similar quality to branded drugs are sold at relatively lower prices. With increasing population, generics present an excellent opportunity to support rising healthcare needs. Also, generics are a great option for people with limited access to healthcare facilities.

Certain developing and underdeveloped countries are characterised by lower penetration of healthcare facilities, low per capita consumption of medicines and a wide base of patients with acute and chronic diseases. In terms of medications, these markets are mainly driven by low-cost generics. Further, chronic diseases will boost sales of generics due to limited budgets and high out-of-pocket expenditure.

**Increasing healthcare costs to drive demand for generic drugs in regulated markets**

Developed countries spend a major portion of their GDP on healthcare. Demand for pharma products in developed markets is expected to be driven by key factors such as an ageing population and growing incidence of chronic diseases. CRISIL expects that austerity measures in Europe to continue to drive demand for generic drugs, though price realisations may not be as

favourable as in the past. On the other hand, healthcare reforms in the US are driving higher insurance coverage and greater usage of generic medicines.

**Penetration in semi-regulated markets to aid generic pharmaceuticals**

Many semi-regulated markets, such as Brazil and Russia, with high out-of-pocket expenditure on healthcare (unlike developed markets), are attractive for branded generic drugs. More players are now looking to enter semi-regulated markets, thereby boosting volume growth and increasing market share.

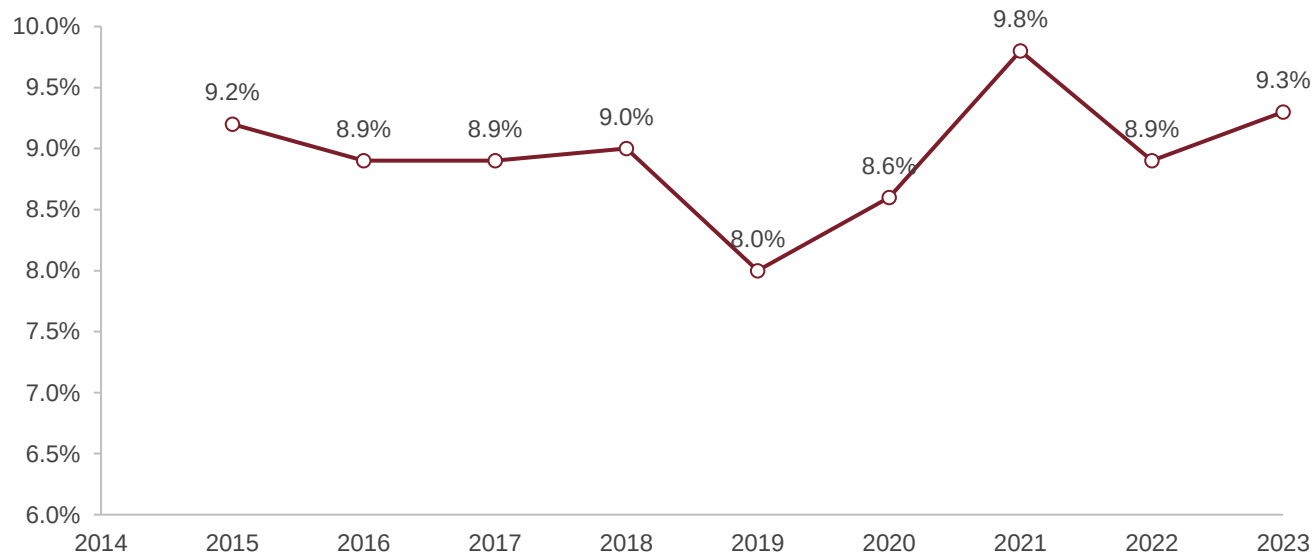
This trend is projected to continue, with players expected to record healthy sales in these markets. Also, low competition from many global generic players in these markets and higher potential for penetration of generics will aid growth for players. Further, government authorities in these markets are looking to streamline regulations to allow the import of generics, which will help reduce government expenditure. An increase in healthcare spending and rising demand for medicines to treat chronic and lifestyle-related ailments would support growth in semi-regulated markets.

**Uninsured population in the US rose to 9.3% in 2023**

The US is the largest pharmaceuticals market for both innovator brands and generic drugs. It has been at the forefront of medicine research and healthcare spending. Driven by the Hax-Watchman Act introduced in 1984 to regulate the approval and marketing of generic drugs in the US, the generic drugs industry has grown tremendously over the years. The industry's growth is expected to continue driven by greater dependence on generic medicines and enactment of the Patient Protection and Affordable Care Act.

The Act, first enacted on March 23, 2010, aimed at bringing a large section of the population under public and private insurance coverage. The Affordable Care Act (2010) included provisions to ensure that insurance companies do not refuse to cover patients with pre-existing conditions and expand Medicaid coverage to include more people from low-income groups. The rise in uninsured population in the US will have a near-term impact on the demand for generic drugs and growth of Indian manufacturers.

**Uninsured population in the US**




*Source: Centers for Medicare & Medicaid Services, CRISIL MI&A*

**Rising penetration of generic drugs to lower healthcare costs in regulated markets such as the US and Europe**

Developed economies spend a major portion of their GDP on healthcare. Going forward, demand for pharma products in developed markets is expected to be driven by factors such as an ageing population and growing incidences of chronic diseases. Austerity measures adopted in Europe will continue to drive demand for generic drugs, though price realisation may not be as favourable as in the past. On the other hand, healthcare reforms in the US are driving higher insurance coverage and greater use of generic medicines. The share of generics increased from ~80% in 2010 to 90-95% in 2023 in US markets, in terms of prescriptions.

The European generic drugs market (primarily Germany, the UK, France, Italy and Spain) is the second-largest regulated market for generic drugs. Over the years, several Indian companies strengthened their presence in the region through a series of acquisitions. However, the global slowdown and pricing uncertainties adversely impacted the profitability of their European

operations, prompting a change in strategy. Healthcare expenditure, as a percentage of GDP, in Germany and France is among the top 10 globally. Consequently, government steps to regulate prices have adversely impacted the growth of Indian players over the past few years. However, the increasing penetration of generic drugs will continue to drive volume growth in the region and offset the impact of pricing pressures. Further, lower generics penetration in Belgium (16.6%), the UK (27%), France (19%) and Germany (31.2%) indicates tremendous untapped potential for growth of Indian generics.

**Increasing number of products going off patent in the US to further drive generics market growth**

The patent protection expiration of effective drugs aids in the growth of the generics formulation market. Pharmaceutical players across the globe track the patent exclusivity of key drugs, as research and development activities for these drugs start well in advance. The time-to-market of new products is a significant driver of competitive advantage for pharmaceutical players. Generic pharmaceutical companies typically strengthen their market position by being first in the market when a patent on an original product expires. The expiration of patents for original products presents an opportunity for generic companies and partner CDMO firms to launch generic versions of these products. The table below shows the number of products going off patent in the US over calendar years 2024-2028.

**Data on drugs going off patent**

| Sr No | Calendar year | Number of products going off patent |
|---|---|---|
| 1 | 2024 | 447 |
| 2 | 2025 | 430 |
| 3 | 2026 | 424 |
| 4 | 2027 | 181 |
| 5 | 2028 | 163 |

*Note: Number of products going off patent indicates products that are losing their market exclusivity*
*Source: US FDA, CRISIL MI&A*

**Several countries have their own pharmaceutical regulatory authorities**

Regulatory bodies impose regulations to ensure drugs meet safety and quality standards. It is extremely important that players in the pharmaceutical industry maintain high standards, considering the number of lives at stake. Regulatory bodies also ensure pharmaceutical companies do not charge unreasonable prices from consumers.

The stringency of regulatory procedures varies across countries. On the basis of established regulations and patent laws, the global pharmaceutical industry can be broadly classified into regulated and semi-regulated markets.

Regulated markets include the US, the EU and Japan, which have established systems of patent laws and advanced regulatory systems for controlling drug quality. On the other hand, semi-regulated markets, such as China, India and South Africa, have less stringent systems of patent laws and less advanced regulatory systems for drug quality control.

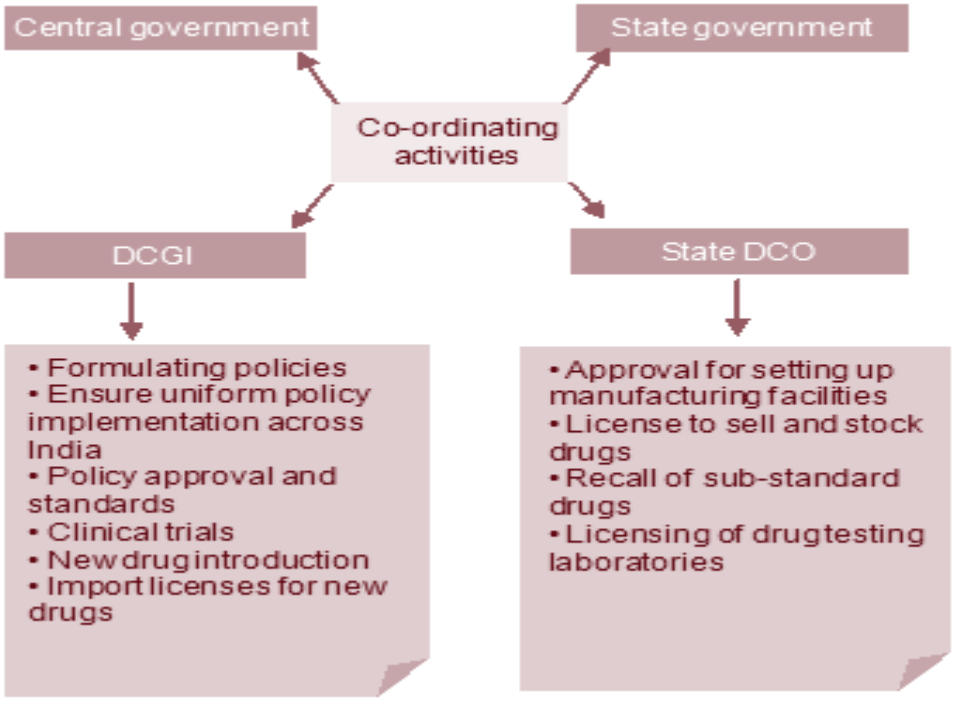
However, there is no single harmonised protocol for drug approval across countries. Countries have their own regulatory authorities and drug approval mechanisms.

**List of regulatory authorities across key countries**

| Country | Regulatory authority |
|---|---|
| US | US FDA |
| UK | Medicines and Healthcare Products Regulatory Agency |
| South Africa | Medicines Control Council |
| India | FDA |
| Brazil | National Health Surveillance Agency |
| Europe | European Medicines Agency |

*Source: CRISIL MI&A*

**Regulatory environment in India**




*Source: CRISIL MI&A*

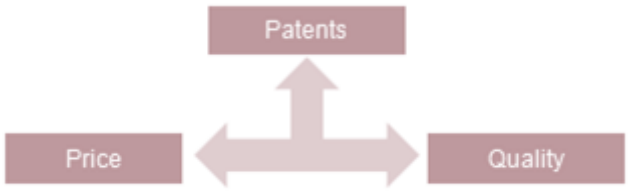
The Drugs and Cosmetics Act, 1940 (Drugs Act) and the Drugs and Cosmetics Rules, 1945 regulate the import, manufacture, distribution and sale of drugs in India. Under the provisions of these acts, the Centre appoints the Drugs Technical Advisory Board (DTAB) to advise the central and state governments on technical matters.

The recent amendments to the Medical Devices Rules, 2017 and the Drugs and Cosmetics Rules, 1945 have increased the liability for 'marketers' by making them also responsible, in addition to the actual manufacturer, for the quality of the drug, as well as regulatory compliances.

Both the central government and the respective state governments are entrusted with the task of enforcing the Drugs Act. Under the Drugs and Cosmetics Act, state authorities are responsible for regulating the manufacture, sale and distribution of drugs, whereas central authorities are responsible for approving new drugs and clinical trials, laying down the standards for drugs, controlling the quality of imported drugs and coordinating the activities of state drug control organisations.

The Drugs Controller General of India (DCGI) is the central body that coordinates the activities of state drug control organisations, formulates policies and ensures uniform implementation of the Drugs Act throughout India. It is also responsible for approving licences of specified categories of drugs, such as blood and blood products, intravenous fluids, vaccines and sera.

The Indian pharmaceuticals industry is mainly regulated on the basis of patents, price and quality.




*Source: CRISIL MI&A*

**Patents**

Before 2005, the regulatory system in India focused only on process patents. Indian pharmaceutical companies thrived during the process patent regime. They would re-engineer products of global innovator companies, which were unavailable in India, and launch them in the country as generics, as India did not recognise the product patents. In this manner, Indian companies gained process chemistry skills, but did not focus on R&D for new drug discovery.

In January 2005, India complied with the World Trade Organization (WTO) to follow the product patent regime sale of re-engineered products (for drugs patented after 1995) is restricted. However, enterprises that had made significant investments and were producing and marketing the relevant product prior to January 1, 2005, and which continue to manufacture the product covered by the patent on the date of grant of the patent, are protected from infringement suits by the patentee. But they may be liable to pay a reasonable royalty.

**Drug prices**

Under the Drugs (Prices Control) Order (DPCO), prices of certain APIs and formulations are fixed. APIs and formulations falling under the purview of the legislation are called scheduled drugs and scheduled formulations. The National Pharmaceutical Pricing Authority (NPPA) collects data and studies the pricing structure of APIs and formulations, and accordingly makes recommendations to the Ministry of Chemicals and Fertilizers.

The new Pharmaceutical Policy, notified in 2012, was put out as the final price notification in May 2013, bringing 348 essential drugs in the National List of Essential Medicines (NLEM) under price control. A big change in the current pricing policy is the introduction of cost controls on final market prices of formulations, compared with cost-based controls on bulk drugs in the previous pricing policies.

A revision to the NLEM was announced in December 2015, which increased the total number of essential medicines to 376. Drugs under the NLEM accounted for ~20% of the overall domestic market in fiscal 2020. Growth of NLEM drugs improved during the fiscal, in terms of both volume and value. Further, prices were revised upwards by ~4% from April 2019 for drugs under the NLEM, in line with the Wholesale Price Index (WPI).

Under the policy, the ceiling price for each drug under control would be fixed as the simple average price of brands having more than 1% market share (by value) in the sales (moving annual turnover or MAT) of that particular molecule. Thus, prices of brands higher than this ceiling will need to be lowered. The ceiling prices will be allowed an annual increase as per the WPI. Prices will be recalculated using MAT only once in five years or when the NLEM is updated.

Price of drugs that were part of the earlier policy, but do not come under the current policy, would be frozen for a year and, thereafter, allowed a maximum annual increase of 10%. A 10% increase would also be the limit for prices of drugs outside the government's price control.

**Quality**

No drug can be imported, manufactured, stocked, sold or distributed in India unless it meets the quality standards laid down in the Drugs Act. All companies have to comply with Schedule M of the Act, which outlines various requirements for manufacturing drugs and pharmaceuticals by applying current Good Manufacturing Practice (cGMP). cGMP has to be followed for control and management of manufacturing and quality control testing of drugs.

**Ban on FDC drugs**

In September 2018, the Union Health Ministry banned 325 fixed-dose combination (FDC) drugs, following the recommendations of an expert committee, which found that the combinations lacked ‘therapeutic justification’. The recent ban follows over two years of legal battle between pharmaceutical companies and the government, which challenged the Health Ministry's March 2016 decision to ban 344 FDCs.

According to the CDSCO Policy guidelines on the approval of FDCs in India, all FDCs that have not yet been approved in any country — with regulations similar to those in India — will have to go through clinical trials, along with the entire list of clearances for those FDCs to be marketed in India. As 325 FDC drugs were not available from the second half of fiscal 2019, the domestic market growth was impacted to the tune of 30-50 bps in fiscal 2019.

**Regulatory environment in the US**

The Department of Health and Human Services regulates the US pharmaceutical market through the US FDA, which ensures human and veterinary drugs, biological products and medical devices are safe and effective. It lays down the procedures for product approvals (generic and new drugs) and is primarily responsible for enforcing the Federal Food, Drug, and Cosmetic Act — the basic drug and food law in the US.

**Evolution of laws governing the US pharmaceutical industry**

Federal regulation of pharmaceuticals in the US began in 1906, when the Pure Food and Drug Act was enacted. This law required that drugs meet official standards of strength and purity and that the ingredients are accurately described on a drug's label. However, these laws were not strong enough. In 1937, 107 people died after consuming Elixir Sulfanilamide — a sulfa drug mixed with diethylene glycol — a drug manufactured by Massengill, an established pharmaceutical company. This tragedy

led to the passage of the Food, Drug and Cosmetic Act of 1938. This legislation, for the very first time, required drugmakers to submit evidence of a product's safety. It also required that a drug's label state its contents, how it should be administered and its possible side effects. The US FDA was appointed to oversee the law's enforcement.

In 1957, a West German pharmaceutical manufacturer introduced a new sedative, thalidomide, which alleviated the symptoms of morning sickness in women during the first trimester of pregnancy. In 1962, by which time the drug had been sold in 46 countries, it became clear that thalidomide damaged the foetus, causing stillbirth or, more prevalently, phocomelia (Greek for 'seal limb'). Thousands of newborns were found to have truncated limbs that resembled flippers. This tragedy resulted in the 1962 Kefauver-Harris Drug Amendments to the Food, Drug and Cosmetic Act of 1938. The Kefauver-Harris Amendments required that manufacturers demonstrate both the safety and efficacy of new drugs before receiving approval for commercial sale in the US. In addition, this legislation required that drugs be produced according to the specified GMP guidelines and that plants should be subject to the US FDA approval and periodic inspection.

These regulations resulted in long delays in the introduction of new drugs and led to the enactment of the Modernization Act of 1997, which incorporated several measures to expedite the approval of new drugs, especially for the treatment of life-threatening illnesses, and improve the overall efficiency of the FDA. The new legislation extended the Prescription Drug User Fee Act (PDUFA), a programme that charges drugmakers a fee for filing new drug applications with the US FDA. These funds are used to hire new personnel for the US FDA, and the programme has resulted in a significant reduction in the time taken for new drug approvals. The new law also enabled seriously ill patients to have easier access to experimental compounds and provided new initiatives for the development of paediatric medicines.

In 2012, the US FDA introduced the Generic Drug User Fee Amendments (GDUFA) to accelerate access to safe and effective generic drugs for the public while reducing costs for the industry. The law requires the industry to pay user fees to supplement the costs of reviewing generic drug applications and inspecting facilities. Additional resources will enable the agency to reduce the current backlog of pending applications, cut the average time required to review generic drug applications for safety, and increase risk-based inspections. GDUFA is designed to build on the success of the PDUFA.

In 2014, the US FDA announced a new structure of the GDUFA, which reduced dossier filing fees by 8-15% and increased the site registration fee by 15-22%. Observing the ANDA and DMF filing of Indian pharma companies in the past, we expect this move to have minimal impact on the net profit of large pharma companies exporting to the US.

**GDUFA user fee requirements**

| Fees | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 |
|---|---|---|---|---|---|---|---|
| **Application fees (USD)** | | | | | | | |
| ANDA fee | 171,823 | 178,799 | 176,237 | 196,868 | 225,712 | 240,584 | 252,453 |
| DMF fee | 47,829 | 55,013 | 57,795 | 69,921 | 74,952 | 78,293 | 94,682 |
| **Facility fees (USD)** | | | | | | | |
| API domestic | 45,367 | 44,226 | 44,400 | 41,671 | 42,557 | 37,544 | 40,464 |
| API foreign | 60,367 | 59,226 | 59,400 | 56,671 | 57,557 | 52,544 | 55,464 |
| FDF domestic | 211,087 | 211,305 | 195,662 | 184,022 | 195,012 | 213,134 | 220,427 |
| FDF foreign | 226,087 | 226,305 | 210,662 | 199,022 | 210,012 | 228,134 | 235,427 |

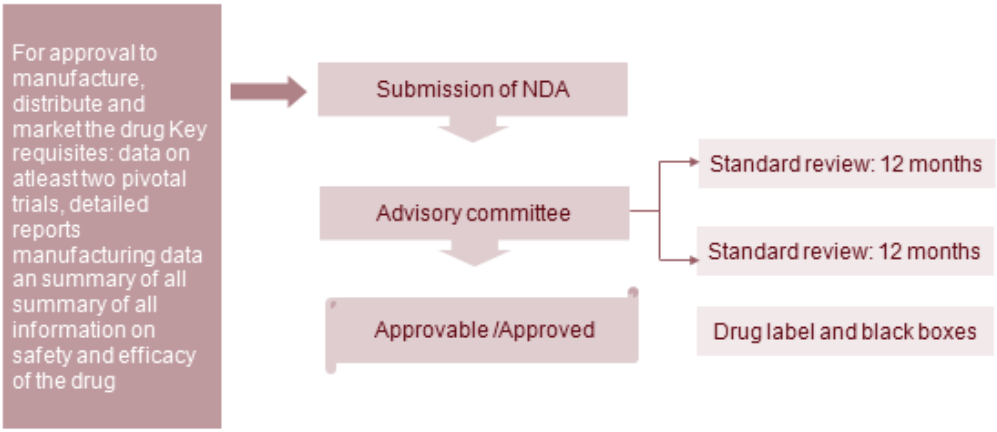
*Note: US FY - October-September, ANDA: Abbreviated new drug application, API: Active pharmaceutical ingredient, DMF: Drug master file*
*Source: US FDA, CRISIL MI&A*

**Some key concepts in the context of new and generic drugs are discussed below:**

**IND**

The US FDA's role in the development of a new drug begins when the drug's sponsor (usually the manufacturer or potential marketer) finishes screening the new molecule for pharmacological activity and acute toxicity potential in animals and plans to test its diagnostic or therapeutic potential in humans. Companies obtain approvals for human trials via an investigational new drug (IND) application.

**NDA**




*Source: CRISIL MI&A*

Data gathered during animal studies and human clinical trials of an IND is used to file for a new drug application (NDA). NDA is the vehicle through which drug sponsors request approval from the US FDA to sell and market a new pharmaceutical product in the US.

NDA aims to provide sufficient information to permit the US FDA reviewer to make the following key decisions:

- The drug is safe and effective in its proposed use(s), and its benefits outweigh the risks
- The proposed labelling of the drug (package insert) is appropriate
- The methods used in manufacturing the drug and the controls used to maintain quality are adequate to preserve the drug's identity, strength, quality and purity

**ANDA**

New drugs, like other new products, are developed under patent protection. The patent protects investments on the drug's development by giving the company the sole right to sell the drug while the patent is in effect. When patents or other periods of exclusivity expire, other drug manufacturers can apply to the US FDA to sell a copy of the original drug.

Drug companies must submit an ANDA for approval to market a generic (copy of the drug). The Drug Price Competition and Patent Term Restoration Act of 1984, more commonly known as the Hatch-Waxman Act, made ANDAs possible by striking a compromise in the drug industry. As a result, generic drug companies gained greater access to the market for prescription drugs, and innovator companies gained restoration of the patent life of their products lost during the US FDA's long approval process.

Drug substitution laws further aided generic drugmakers by allowing pharmacists to substitute branded drugs with generic drugs, unless the doctor specified ‘dispense as written’ on the prescription. The ANDA process does not require the drug's sponsor to repeat costly animal and clinical research on ingredients or dosage forms already approved for safety and effectiveness.

However, to gain FDA approval, a generic drug must:

- contain the same active ingredients as the innovator drug (inactive ingredients may vary);
- be identical in strength, dosage form and route of administration;
- have the same indications for usage;
- be bioequivalent to the innovator drug;
- meet the same batch requirements for identity, strength, purity and quality; and
- be manufactured under the same strict standards of FDA's GMP regulations that are required for innovator products.

**Drug master files**

A drug master file (DMF) is a submission to the FDA that may be used to provide confidential and detailed information about facilities, processes or articles used in manufacturing, processing, packaging and storing of one or more human-use drugs. Although the information contained in the DMF may be used to support an IND, NDA, ANDA, another DMF or an export application, it is not a substitute for any of these. A DMF is neither approved nor disapproved. Hence, the FDA registering a DMF does not mean the drug can be sold in the US. That right is obtained upon the DMF's review in connection with the study of an IND, NDA, ANDA or export application, and consequent approval of manufacturing facilities and processes.

**Regulatory framework in Europe**

In Europe, marketing authorisation for pharmaceutical products may be obtained either through:

1) a centralised procedure involving the European Medicines Agency (EMA), which is a mutual recognition procedure that requires submission of applications in other member states following approval by a so-called reference member state

2) a decentralised procedure that entails simultaneous submission of applications to chosen member states or occasionally through a local national procedure.

The EU's medicines regulatory framework requires that medicinal products, including generic versions of previously approved products and new strengths, dosage forms and formulations of previously approved products, receive a marketing authorisation before they can be sold in the EU. Authorisations are granted after a favourable assessment of quality, safety and efficacy by the respective health authorities. Applications must be made to the EMA or to the competent authority of the member state concerned to obtain authorization. Besides various formal requirements, the application must contain the results of pharmaceutical (physico-chemical, biological or microbiological) tests, pre-clinical (toxicological and pharmacological) tests and clinical trials. All these tests must have been conducted in accordance with relevant European regulations and must allow the reviewer to evaluate the quality, safety and efficacy of the medicinal product.

**European Medicines Agency (EMA)**

EMA is a European Union (EU) agency that evaluates and supervises medicinal products. Before 2004, it was known as the European Agency for the Evaluation of Medicinal Products or European Medicines Evaluation Agency (EMEA). The agency is responsible for the scientific evaluation of medicines developed by pharmaceutical companies for use in the EU and applications for European marketing authorisations. EMA is a decentralized EU agency, located in London, before UK's withdrawal from the EU. It was relocated to Amsterdam in March 2019. The EMA was established in 1995 with funding from the EU and the pharmaceutical industry, as well as indirect subsidy from member states, to harmonise the work of existing national regulatory bodies for medicines.

**Major responsibilities of the EMA**

- Monitor and supervise the safety of medicines
- Offer scientific suggestions and protocol assistance
- Provide timely patient access to new medicines
- Support research and innovation in the pharmaceutical sector
- Provide orphan designation of medicines for rare diseases
- Develop scientific guidelines on needs for the safety, efficacy and quality testing of medicines and setting standards
- Promote innovation and development of new medicines through small- and medium-sized European enterprises
- Provide information on the safety of medicines to the public
- Publish impartial and clear information about medicines and their approved uses

**Drug approval process in the EU**

Before gaining approval to market a drug in the EU, two regulatory steps need to be taken, akin to US FDA requirements. These two steps are:

1) Clinical trial application (CTA)

2) Marketing authorisation application (MAA)

CTA approval is done at the member state level, whereas the MAA is approved at the member state and centralised levels. Approval for the manufacture and marketing of a drug can be obtained through the following procedures, depending on the drug class and the preference of the manufacturer:

- Centralised process
- National process
- Mutual recognition
- Decentralised procedure

**Centralised process**

The centralised procedure allows the marketing of a medicine on the basis of a single EU-wide assessment and marketing authorisation which is valid throughout the EU. Pharmaceutical companies submit a single authorisation application to EMA, which issues its opinion within 210 days and submits the same to the European Commission for final approval. The centralised process is controlled through the EMA. Every EU member state is represented on the EMA Committee for Medicinal Products, which provides a single license valid in all EU member states.

**National process**

The national procedure allows applicants to attain marketing authorisation in only one member state. To obtain a marketing authorisation in a country, an application must be submitted to the competent authority of the member state. New active substances, which are not mandatory under the centralised procedure, can obtain marketing approval under this procedure. Timeline for the issue of EMA opinion is 210 days. Each EU state can have its own procedure for approving drugs that fall outside of those that need to undergo the centralised process.

**Mutual recognition**

The mutual recognition process permits applicants to get a marketing authorisation in a concerned member state (CMS), which is other than the reference member state (RMS), where the drug is already approved. The applicant must submit an identical dossier to all the EU member states in which they want to obtain marketing approval, along with required information. As soon as one of the member states decides to evaluate the medicinal product (at which point it will become the RMS), it will inform this decision to the other member states (which then become the CMS) to which applications have also been submitted. The RMS issues a report to other states on its own findings after completion of evaluation. The generic drug industry is the major user of this type of drug approval process. The timeline for issuing the EMA opinion under this process is 390 days.

**Decentralised procedure**

Under this procedure, companies can apply for the simultaneous authorisation of a medicine in more than one EU member state if it has not yet been authorised in any EU country and does not fall within the scope of the centralised procedure. The marketing authorisation in this case should be granted according to the decision taken by the RMS and CMS. Time taken for issue of EMA's opinion is 210 days.

**Key players in the global generic formulations market**

| Name | VIartis Inc* | Teva Pharmaceutical Industries Ltd | Novartis AG | Sun Pharmaceutical Industries Ltd[1] | Aurobindo Pharma Ltd[1] | Wockhardt Ltd[1] |
|---|---|---|---|---|---|---|
| **Headquarters** | US | Israel | Switzerland | India | India | India |
| **Year of establishment** | 2020 | 1944 | 1891 | 1993 | 1986 | 1999 |
| **Workforce** | ~38,000 | 37,851[2] | 76,057[2] | 19,124[3] | 15,690[3] | 2,637[3] |
| **Consolidated revenue ($ billion)** | 2023[4]: 15.4<br>2022[4]: 16.2<br>2021[4]: 17.8 | 2023[5]: 15.8<br>2022[5]: 14.9<br>2021[5]: 15.9 | 2023[6]: 45.4<br>2022[4]: 50.5<br>2021[4]: 51.6 | 2023[7]: 5.6<br>2022[7]: 5.2<br>2021[7]: 4.5 | 2023[7]: 3.2<br>2022[7]: 3.2<br>2021[7]: 3.3 | 2023[7]: 0.3<br>2022[7]: 0.3<br>2021[8]: 0.4 |
| **Business segments**** | Branded products, generics products, and OTC products | Generic medicines, biopharmaceuticals, innovative | Innovative medicines | Specialty products, generic products, API | Generic formulations, APIs, biosimilars, vaccines | APIs, Formulations (generics and New Chemical Entity (NCE)), |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | medicines, OTC products | | | | biosimilars, vaccines |
| **Geographical presence**** | North America, Europe, Asia, the Middle East, Africa, eastern Europe, Japan, Australia | North America, Europe, Japan, Russia and Israel | United States, Europe, Asia, Africa, Australasia Canada and Latin America | United States, India, Western Europe, Japan, Australia | India, US, Europe, Brazil, Canada, Columbia, South Africa and Canada | US, UK, Ireland, Europe, Russia, India |

**-Viatris is a global healthcare company formed in November 2020 through the combination of Mylan and Upjohn. Upjohn was the generic business of Pfizer Inc. Accordingly, Mylan is considered the accounting acquirer of the Upjohn business and all historical financial information of the company prior to November 16, 2020 represents Mylan's historical results and the company's thereafter.*

***Indictive and not exhaustive of nature*

*1-Financials are as per the Indian fiscal April to March; exchange rates used: USD: INR (FY21:74.1, FY22:73.9 ,FY23:78.6)*

*2-Full-time equivalents*

*3- Permanent employees on the company roll*

*4- Net sales*

*5- Net revenue*

*6- Net sales from continuing operations*

*7-Revenue from operations*

*8-Revenue from continuing operations*

*The above list of players is indicative and not exhaustive.*

*Source: Company annual reports, CRISIL MI&A*

## 5. Assessment of global vaccines market

### Overview of the global vaccines market

A vaccine is a biological preparation of agents that stimulates the body's immune system that aids specific recognition of foreign agents entering the body and destroying the same. Vaccine administration strengthens the immune system and enhances the immune response against a particular disease. Scientists makes use of different approaches to design a vaccine against a particular infectious agent. The global vaccines market, based on technology, is broadly segmented into recombinant vaccines, conjugate vaccines, live attenuated vaccines, inactivated vaccines, toxoid vaccines, and others.

The inactivated vaccines are made from the organism that is killed through chemical or physical methods. These dead organisms don't cause any disease. Inactivated vaccines may not always induce a human response and the response may not always be long-lived. Inactivated vaccines are successfully employed in the prevention of various diseases such as influenza, hepatitis, and polio. Live attenuated vaccines use a weakened form of the organism that causes a disease. These types of vaccine help prevent natural infection and create a strong and long-lasting immune response. Only 1 or 2 doses of live vaccine gives lifetime protection from that germ and the disease it causes. Live vaccines are used for the prevention from measles, mumps, and rubella (MMR combined vaccine), rotavirus, chickenpox, smallpox, and yellow fever.

The subunit and conjugate vaccines are similar to inactivated vaccines that do not contain live components of the pathogen. They differ from the inactivated vaccines by containing only the antigen part of the pathogen in the vaccine. Pneumococcus vaccines, Meningococcus vaccines, H. Influenzae vaccines are applications of conjugate vaccines. Subunit vaccines are also developed using genetic engineering. For a vaccine protein, gene coding is inserted into producer cell or another virus. When the producer cell metabolises, or the carrier cell metabolises, the vaccine protein is created. Thus, the end product is a recombinant vaccine. Recombinant vaccines are considered to be the most efficient alternative to traditional vaccines in the prevention of various human diseases. Cholera, Hepatitis B, diphtheria and tetanus vaccines are examples of commercial recombinant vaccines. Certain bacterial diseases are not caused directly by the bacteria itself, but by the toxins produced by the bacteria that enter the bloodstream and cause symptoms of a particular disease. Immunisation against such infections is done by administering toxoid vaccines in which the toxins are inactivated. Toxoid vaccines are used against the protection of diphtheria and tetanus.

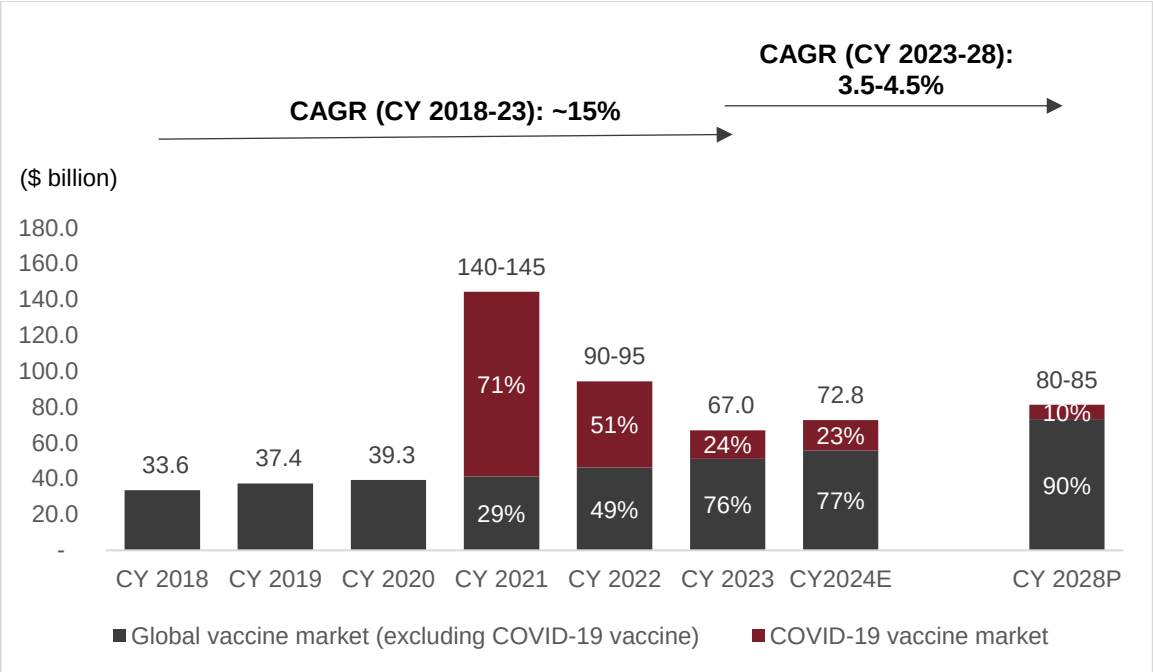
### Global vaccine market expected to grow at 3.5-4.5% over 2023-28

The global vaccine market surged to significant high of USD 140-145 billion in CY2021, on account of the incremental vaccine demand driven by the COVID-19 pandemic. Nearly 71% of the industry was constituted by COVID-19 vaccine market. In CY 2021, the top 10 vaccines represented 90% of market value when including COVID-19 vaccines and 75% of market value when excluding those. The industry dropped to USD 90-95 billion in CY2022 on account of improving pandemic situation and corresponding reduced spending on COVID-19 vaccines. The COVID-19 vaccines accounted for 51% of the market in CY2022.

Currently, the market is estimated to be USD 67.0 billion as of CY2023, with 24% accounted by COVID-19 vaccine spending. In CY2024, the share of COVID-19 vaccines is expected to remain similar at ~23% with the overall market at USD ~73 billion. During the medium term, the industry is expected to be driven by rising prevalence of infectious diseases, pandemic preparedness, and children/adolescent vaccination coverage efforts by World Health Organisation (WHO), Global Alliance for Vaccines and Immunization, NGOs, governments etc.

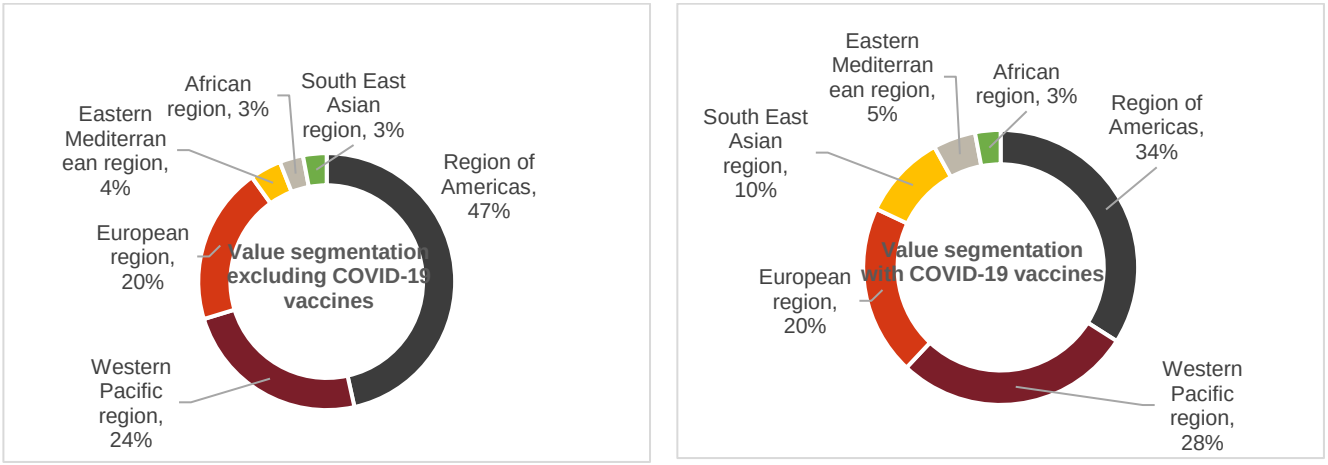
COVID-19, seasonal influenza and pneumococcal conjugate (PCV) vaccines have the highest share in global market in value terms. COVID-19 and seasonal influenza vaccines are characterised by high prices and high volumes owing to their large target population base. PCV has high prices, particularly in high-income countries (HICs), despite lower volumes. Higher prices of vaccines are reason for higher share of Americas and Europe in the global market.

**Global vaccine market**




*E: Estimated, P: Projected; Source: CRISIL MI&A*

**Global vaccine market by geography in value terms, CY2021**




*Source: WHO, CRISIL MI&A*

The Americas region accounts for nearly 47% of the value of vaccine market in CY 2021, excluding COVID-19 vaccines. Including the COVID-19 vaccines, the region accounted for 34% of the market. Americas, as classified by the WHO, includes countries in North and South America. The major markets in the region include the US, Canada, Mexico, and Brazil. In CY 2021, the Americas region accounted for ~2.9 billion vaccine volume globally. ~72% of the volume was accounted by COVID-19 vaccines. Increased spending on healthcare infrastructure, higher vaccine cost, implementation of the expanded program on

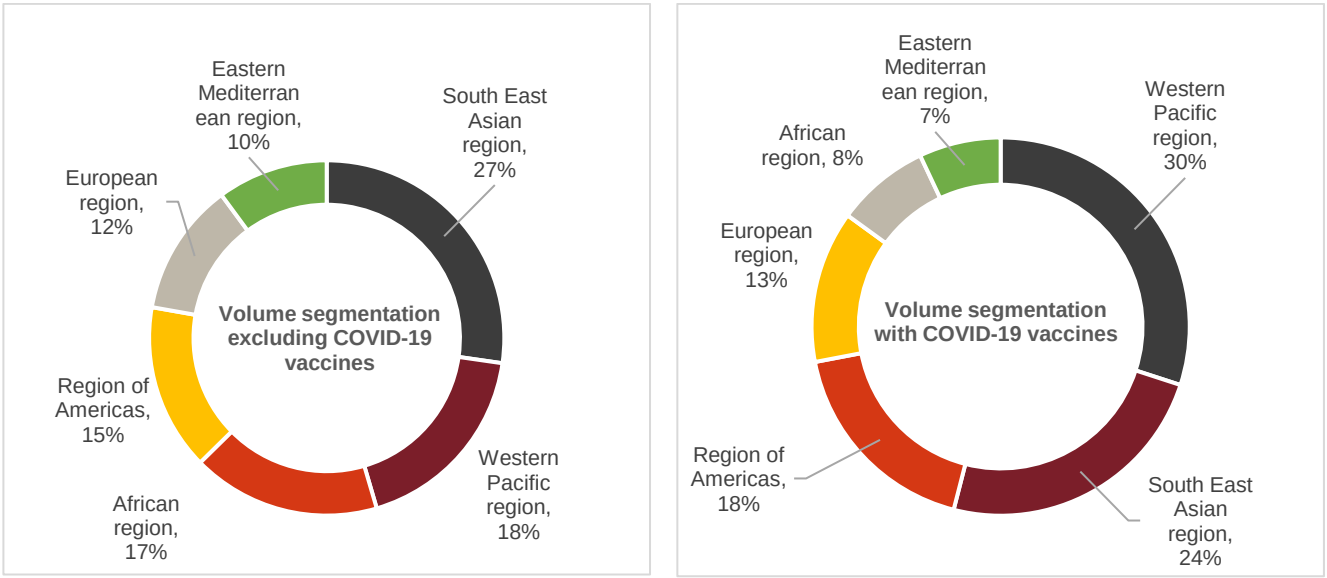
Immunization, and intensive research and development for timely introduction of new vaccines, especially in the US, are the major drivers of the vaccine market in Americas. Substantial development has been made in the production of vaccine technology in the region, especially for HPV vaccines. Extensive research by pharmaceutical and biotechnology companies is further expected to propel growth of the vaccine market in the region.

The European vaccine market has been growing since its inception. Europe accounted for ~20% of the global vaccine market in CY21 in value terms (both with and without COVID-19 vaccines).in CY21, ~71% of the total ~2.1 billion vaccine volume accounted by Europe was COVID-19 vaccines. Several European countries, including France, Germany, the UK, Spain, and Italy, are working persistently to enhance the adoption of immunisation across Europe. Europe's vaccine market is driven by increasing healthcare expenditure and growing focus on immunisation and eradication of infectious diseases. Increasing healthcare awareness among people and vaccination programmes are the major factors propelling the growth of the European vaccine market.

Southeast Asia accounted for ~10% of the global vaccine market in CY21, while the share drops to 3% without considering COVID-19 vaccines. The region accounted for ~3.8 billion vaccine volume globally, out which ~63% were COVID-19 vaccines. The lower value in the market is on account of low vaccine cost in the region. India accounts for a major share in the region with COVID-19 vaccines among the lowest priced globally. In volume terms, Southeast region accounted for 24% and 27% including COVID-19 vaccine and excluding them, respectively. India accounted for 17% of the global volume in CY 2021 driven by its large population base and extensive coverage of COVID-19 vaccination campaign. A key factor driving growth of the market in the region is the presence of a large pool of Indian players that are developing vaccines for infectious diseases at affordable prices. In addition, India is widely involved in the export and supply of vaccines in the international market. As of June 2023, India had supplied COVID-19 vaccines to 101 countries, supplies totalling 301.2465 million. Increasing government focus on the healthcare sector and rising investment by government agencies (such as the Indian Council of Medical Research, Ministry of Health and Family Welfare, and Department of Biotechnology) in research and development of novel vaccines in the country are expected to augment growth of the Indian market in the coming years.

The WHO African Region accounted for a share (12%) of total volumes in 2022 compared to 2021 (8%). In the years before COVID-19, the region used to account for approximately 20% of global volumes. The 2021 and 2022 low numbers can be attributed to the region's lower consumption of COVID-19 vaccines compared to the rest of the world.

**Global vaccine market by geography in volume terms, CY2021**




*Source: WHO, CRISIL MI&A*

**Overview of key trends and growth drivers**

**Prevalence of various infectious illnesses drives vaccine demand**

The vaccine market growth has primarily been driven by increasing prevalence of various infectious illnesses. These include novel and re-emerging pathogens. Outbreaks and pandemics such as Zika (2015-2016), Ebola (2017), COVID-19 are the examples of recent epidemics that occurred in various regions of the world. In 2021, including COVID-19 vaccines, adult vaccines accounted for ~75% of the vaccine volume, children/adolescent accounted for 20% while local and sporadic vaccines (vaccines used for diseases with a regional/local burden or for diseases of sporadic occurrence) accounted for 5% of the market.

Globally, the governments are striving to provide immunisation to every stratum of the society, irrespective of their social and economic status. Rising demand for better healthcare infrastructure and growing awareness of immunisation benefits are mainly boosting market growth.

The rapid growth in the vaccine market has been due to increasing global spending on immunisation programmes; effort to curb the predominance of infectious diseases and newer diseases by leveraging increasing technological development; and increased government focus on general healthcare needs of the society, especially in developing countries.

- Gavi, the Vaccine Alliance, which was founded in 2000 with the goal of vaccinating children in lower-income countries, now vaccinates almost half of the world's children against deadly and debilitating infectious diseases.
- The United Nations Children's Fund (UNICEF) and partners support immunisation programmes in over 100 countries to help realise children's right to survival and good health.
- Increase in WHO activity for vaccines coupled with decreasing prices of vaccines.
- Governments across the world are increasingly focussing on national immunisation programmes.
- Outbreak of infectious diseases due to viruses such as Zika, Ebola, and coronavirus increases the demand for vaccines.
- Advanced DNA and recombinant vector vaccines are more effective than the conventional ones.

**Increasing global focus on immunisation programmes**

Immunisation is important to prevent severe diseases and death from vaccine-preventable diseases such as polio, measles, cervical cancer, rubella, tetanus, hepatitis B, mumps, whooping cough, diphtheria, pneumonia, rotavirus diarrhoea, and pertussis. The top widely used vaccines include BCG (Bacillus Calmette-Guérin), PCV (pneumococcal conjugate vaccine), COVID-19, Td (tetanus–diphtheria) containing, HepB (hepatitis B), IPV (inactivated polio vaccine), DTwP (diphtheria–tetanus–pertussis (whole cell)) primary, HPV (human papillomavirus), RV (Rotavirus), MMR (measles, mumps and rubella), Seasonal Influenza, OPV (oral polio vaccine) etc.

Immunisation also helps prevent epidemics that can cause massive destruction in communities. Governments across the world are actively engaged in introducing various vaccines under their national immunisation programmes. Several countries have implemented immunisation schedules for vaccines that include a dosage regimen in adults, kids, and travellers.

In 2012, the World Health Assembly approved the Global Vaccine Action Plan to achieve the Decade of Vaccines vision by delivering universal access to immunisation. CDC's Global Immunization Division provides technical and scientific support to the Ministry of Health and public and private partners to contain preventable diseases through vaccines. Gavi, the Vaccine Alliance, is a public-private global health partnership with the goal of increasing access to immunisation in poor countries. The alliance brings together developing country and donor governments, the WHO, the World Bank, UNICEF, the vaccine industry in both industrialised and developing countries, research and technical agencies, civil society, the Bill & Melinda Gates Foundation, and other private philanthropists. UNICEF is actively involved in immunising children globally. It works with other health partners to engage communities to create vaccine demand, procure and distribute vaccines, and keep vaccines safe through cold-chain logistics. All these international agencies have shown their increasing support for global immunisation and vaccination over time. Increasing focus of agencies on immunisation programmes positively impacts the global vaccine market.

**Technological advancements in vaccine technology**

Vaccination plays a vital role in curbing infectious diseases, by reducing both disease incidence and mortality. Various vaccines have been manufactured to fight against diseases such as polio, cholera, rubella, and measles. However, market awaits highly effective vaccines against diseases such as hepatitis C, HIV-1, tuberculosis, and malaria. Recent advances in vaccine technology present opportunities to target new diseases. Pertaining to this, there has been tremendous research and development happening in the pharmaceutical industry. Hence, the demand for improved and effective immunisation techniques has increased. Several new vaccination technologies have been developed over the past few years – ranging from targeted attenuation techniques of live pathogens to the delivery of biologically engineered protein and peptide antigens, as well as viral vector and nucleic-acid based antigens. Many of these technological developments have yielded highly promising results and drive the growth of the vaccine market.

Technological advancement helped faster development and scale-up of COVID-19 vaccines. As per WHO, 36% of COVID-19 vaccines used in 2021 were designed using innovative technologies and accounted for 59% of global volumes of COVID-19 vaccine procured by WHO Member States.

**Concentration in manufacturing base in the global vaccine market**

The global vaccine market has nearly 94 manufacturers, out of which nearly 10 have entered the market in response to the COVID-19 pandemic. Nearly 30 of the global manufacturers are based out of China (~23 manufacturers) and India (~7 manufacturers). Furthermore, in 2022, 10 global manufacturers accounted for 65-70% of the vaccine doses. Globally, top 10 manufacturers account for 85-90% of the global market share in value terms.

With regards to human papillomavirus, pneumococcal conjugate and measles, mumps and rubella combination vaccines, it is estimated that nearly 100 countries are dependent on one or two suppliers accounting for more than 80% of the vaccine volume. The African and eastern mediterranean region is also dependent for its ~90% vaccine procurement on suppliers outside of the region.

The reasons behind the concentration of vaccine manufacturing is high cost of entry with regards to development of vaccine and manufacturing process, advanced technical knowledge, intellectual property rights protection etc. The vaccine product is also associated with lower returns against the capital expenditure, compared against other pharmaceutical products.

**Overview of success factors for players in the segment**

There are numerous factors which make the vaccine market highly complex in nature. The industry require string technological knowledge, innovative platforms for vaccine development, non-linear manufacturing cost with regards to capacity expansion, degree of competition, threat of substitution by a superior product, dependency on government procurement etc. There are few aspect which contribute to the success in the industry. The same are elaborated below.

| Parameter | Description |
|---|---|
| **Strong focus on innovative R&D and commercialisation** | The industry mandates a continuous exercise of development of new vaccines and improvement of the existing vaccine product line in order to maintain relevance against competitors and changing health trends across the world. Strong R&D ensures market share for the company as it limits the threat of substitution by a superior.<br><br>The companies need to strike a balance between R&D expenses and the commercialisation plans (product launch and adoption) for the product to return adequate yields. |
| **Economies of scale with regards to manufacturing capabilities** | Vaccine as a product is characterised by lower returns against the capital expenditure and R&D cost put up by the manufacturer. At the same time, the demand is uncertain and based on the policies of a consolidated customer base (largely governments). This requires companies to have ability to produce vaccines at a large scale to ensure sustained returns and fulfilment of bulk orders. The manufacturing abilities need to be flexible and agile to take up new vaccine production as a response to growing health threats and pandemics. |
| **Efficient management of global supply chain** | The vaccine industry requires timely distribution of vaccines across varied geographical regions. Hence, the players need to ensure a resilient supply chain in response of global pandemics and other health emergencies. This includes aspects such as cold chain logistics as numerous require lower temperatures for their preservation |
| **Regulatory and strategic alliances** | The vaccine market's distribution spans different countries and regions which requires companies to effectively manage the regulatory landscape and other bureaucratic process with respect to vaccine deployment.<br><br>Alliances with local health agencies, NGOs, and healthcare stakeholders can aid the vaccine manufacturer with resources, distribution network and other expertise for expanding into newer geographies. These alliances also aid quickly adaption to the market needs in face of healthcare emergencies. |
| **Capital management and funding** | The vaccine industry requires robust and sufficient funding to sustain long term R&D process and eventual at-scale manufacturing. The longer gestation period makes capital management, funding, and management of associated operational risk, key factor for success in the industry. |

**Key players in the vaccine market**

**Company profiles of some of the key players**

| Name | GlaxoSmithKline PLC (GSK) | Pfizer Inc | Merck & Co. Inc | Sanofi SA | Serum Institute of India Pvt Ltd | Wockhardt Ltd |
|---|---|---|---|---|---|---|
| Headquarters | UK | US | US | France | India | India |
| Year of establishment | 2000 | 1942 | 1891 | 1994 | 1966 | 1999 |
| Ownership type | Public | Public | Public | Public | Private | Public |
| Workforce | 70,212 | ~88,000 | ~72,000 | 86,088 | NA | 3143 |
| Consolidated revenue - (USD billion) | 2023: 37.6<br>2022: 36.4<br>2021: 34.1 | 2023: 58.5<br>2022: 100.3<br>2021: 81.3 | 2023: 60.1<br>2022: 59.3<br>2021: 48.7 | 2023: 46.6<br>2022: 45.1<br>2021: 44.6 | 2023*: 1.3<br>2022*: 3.4<br>2021*: 1.0 | 2023*:0.35<br>2022*: 0.44<br>2021*: 0.38 |
| Business segments | Pharmaceuticals, Vaccines, Consumer Healthcare | Biopharma, Upjohn, Consumer Healthcare | Pharmaceutical, Animal Health, Others | Pharmaceuticals, Vaccines, Infusion Devices | Vaccines | APIs, Formulations (generics and NCE), Bio-similars, Vaccines |
| Geographic presence | North America, Europe, South & Central America, Australasia, Asia-Pacific, Middle East, Africa | North America, Australia, Asia-Pacific, Europe, Africa, Latin America, Middle East | LAMEA, Europe, Asia-Pacific | North America, Asia-Pacific, Europe, Middle East, Africa, Latin America, Australia | Asia-Pacific, Major supplier to WHO | EU, US, India, emerging markets |

*Note:*
*NA: Not available*

| $ to corresponding currency | 2021 | 2022 | 2023 |
|---|---|---|---|
| Euro (EUR) | 0.85 | 0.95 | 0.92 |
| Indian Rupee (INR)* | 74.2 | 74.5 | 80.3 |
| Pound Sterling (GBP) | 0.72 | 0.81 | 0.81 |

* *2021 represents Fiscal 2021, 2022 represents Fiscal 2022 and so on*
*Source: CRISIL MI&A*

The other major players in the market are as follows:

- AstraZeneca PLC
- CSL Lt
- Emergent BioSolutions Inc
- Johnson & Johnson
- Moderna Inc
- Novavax Inc

**Company profiles of top Covid-19 vaccine manufacturers**

| Name | Moderna | AstraZeneca | Johnson & Johnson | Pfizer | Novavax | Sinovac | Gamaleya |
|---|---|---|---|---|---|---|---|
| Headquarters | US | UK | US | US | US | China | Russia |
| Ownership type | Public | Public | Public | Public | Public | Listed on NASDAQ but not traded | Private |
| Product | mRNA-1273. | AZD1222 | It is a nucleic | It is an | NVX- | CoronaVac | Based on the |

| Name | Moderna | AstraZeneca | Johnson & Johnson | Pfizer | Novavax | Sinovac | Gamaleya |
|---|---|---|---|---|---|---|---|
| offerings | This is an RNA-based vaccine consisting of the modified RNA-encoding spike protein of Covid-19 | | acid-based vaccine, which is the first single-shot vaccine for Covid-19 | mRNA-based Covid-19 vaccine | CoV2373 | | human adenovirus vector-based platform |

*NA: Not available*
*Source: CRISIL MI&A*

## 6. Assessment of global biologics and biosimilars market

### Overview of the global biologics and biosimilars market

Biopharmaceuticals refer to drugs developed through the application of biotechnology on living organisms/biologics for the treatment of diseases. Traditional chemical pharmaceuticals are used to treat a particular disease or indication, while biologics are used to prevent the occurrence of a particular disease as well as for therapeutic purposes

Biologics are composed of sugars, proteins, nucleic acids or complex combinations of these substances, or may be living entities such as cells and tissues. As per the US FDA, biological products include a wide range of products such as vaccines, blood and blood components, allergenic, somatic cells, gene therapy, tissues, and recombinant therapeutic proteins. Biologics are separated from a variety of natural sources - human, animal, or microorganism - and are transformed into consumable drugs by applying biotechnology. For example, gene-based and cellular-based biologics are often at the forefront of biomedical research, and used to treat a variety of medical conditions for which no other treatments are available. Biological products differ from conventional drugs in application and delivery, pharmaceuticals are delivered mainly through tablets, capsules or injections and biological drugs are supplied primarily through injectables. Biological drugs also differ from conventional pharmaceutical (chemical) drugs in terms of their structure and manufacturing processes.

### Biological products differ from conventional drugs in application and delivery

Traditional chemical drugs (pharmaceuticals) are used to treat a particular disease or indication while biologics prevent the occurrence of a particular disease. Further, pharmaceuticals are delivered mainly through tablets, capsules or injections and biological drugs are supplied primarily through injectables. Biological drugs also differ from conventional pharmaceutical (chemical) drugs in terms of their structure and manufacturing processes:

Structure - Conventional drugs are chemically synthesised and their structures are known, while most biologics are complex mixtures that are not easily identified or characterised. Biologics are obtained through the identification of targets (genes), which are mapped to prevent the occurrence of a disease.

Manufacturing - Production of biopharmaceuticals involve application of aseptic (free from contamination) principles right from the initial stages of manufacturing to the final packaging stage as they are heat sensitive and susceptible to microbial contamination, in contrast with most conventional drugs.

### Reference product and biosimilar product

According to USFDA, a reference product is the single biological product, already approved by regulatory authorities, against which a proposed biosimilar product is compared. A reference product is approved based on, among other things, a full complement of safety and effectiveness data. A proposed biosimilar product is compared to and evaluated against a reference product to ensure that the product is highly similar and has no clinically meaningful differences. Whereas a biosimilar product is biological product that is highly similar to and has no clinically meaningful differences from an existing approved reference product.

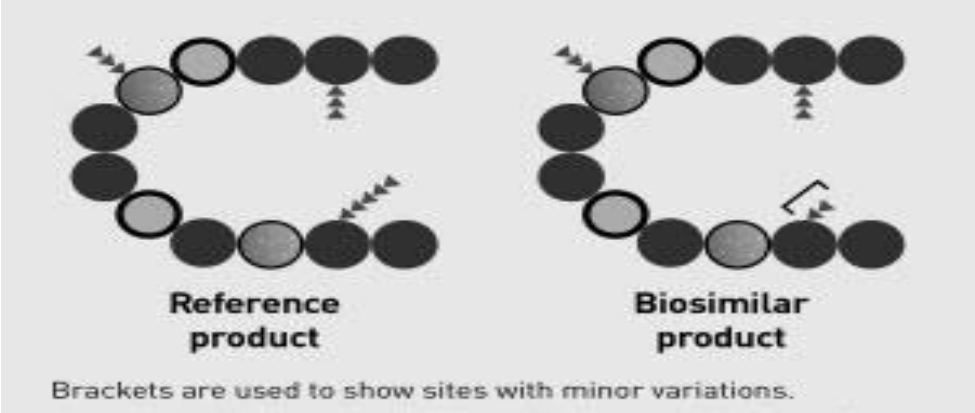
### Highly Similar Product

As per USFDA, a manufacturer developing a proposed biosimilar demonstrates that its product is highly similar to the reference product by extensively analysing (i.e., characterizing) the structure and function of both the reference product and the proposed biosimilar. State-of-the-art technology is used to compare characteristics of the products, such as purity, chemical identity, and bioactivity. The manufacturer uses results from these comparative tests, along with other information, to demonstrate that the biosimilar is highly similar to the reference product.

Minor differences between the reference product and the proposed biosimilar product in clinically inactive components are acceptable. For example, these could include minor differences in the stabilizer or buffer compared to what is used in the

reference product. Any differences between the proposed biosimilar product and the reference product are carefully evaluated by regulators to ensure the biosimilar meets high approval standards.

**Minor difference between reference products and proposed biosimilar**




*Source: USFDA, CRISIL MI&A*

**Interchangeable product**

An interchangeable product is a biosimilar product that meets additional requirements outlined by the Biologics Price Competition and Innovation Act. As part of fulfilling these additional requirements, information is needed to show that an interchangeable product is expected to produce the same clinical result as the reference product in any given patient. Also, for products administered to a patient more than once, the risk in terms of safety and reduced efficacy of switching back and forth between an interchangeable product and a reference product will have been evaluated. An interchangeable product may be substituted for the reference product without the involvement of the prescriber.

**Development cost and development timelines far greater for biosimilars than conventional generics**

The biopharmaceutical new product development process follows an established pattern. Exploratory discovery research identifies a new target of potential therapeutic use, then a number of molecules are developed and optimized, and the best one amongst them is selected to be the product candidate. This product candidate then goes through the pre-clinical study phase where a range of tests are run both in vitro and in animals to characterize the likely safety and effectiveness of this molecule in treating its target disease. Upon completion of the pre-clinical phase, the drug developer applies to regulatory authorities (e.g., US Food and Drug Administration (FDA), European Medicines Agency (EMA)) for approval to commence human clinical trials. Clinical trials are required to prove that the drug is safe and effective when administered to human patients, providing an acceptable benefit-to-risk ratio. There are three major phases of clinical trials before the product receives approval for commercialization: Phase I tests the safety of the product in human, Phase II provides an initial assessment of its efficacy, and Phase III aims at definitively assessing the efficacy and dosage in a large number of patients. Upon completion of clinical trials, the drug developer is required to gather all pre-clinical and clinical data generated during the process, along with extensive details on the manufacturing process developed for the product of interest and submit an application to the regulatory authority for market entry. Once granted, the product developer can legally manufacture and sell the product.

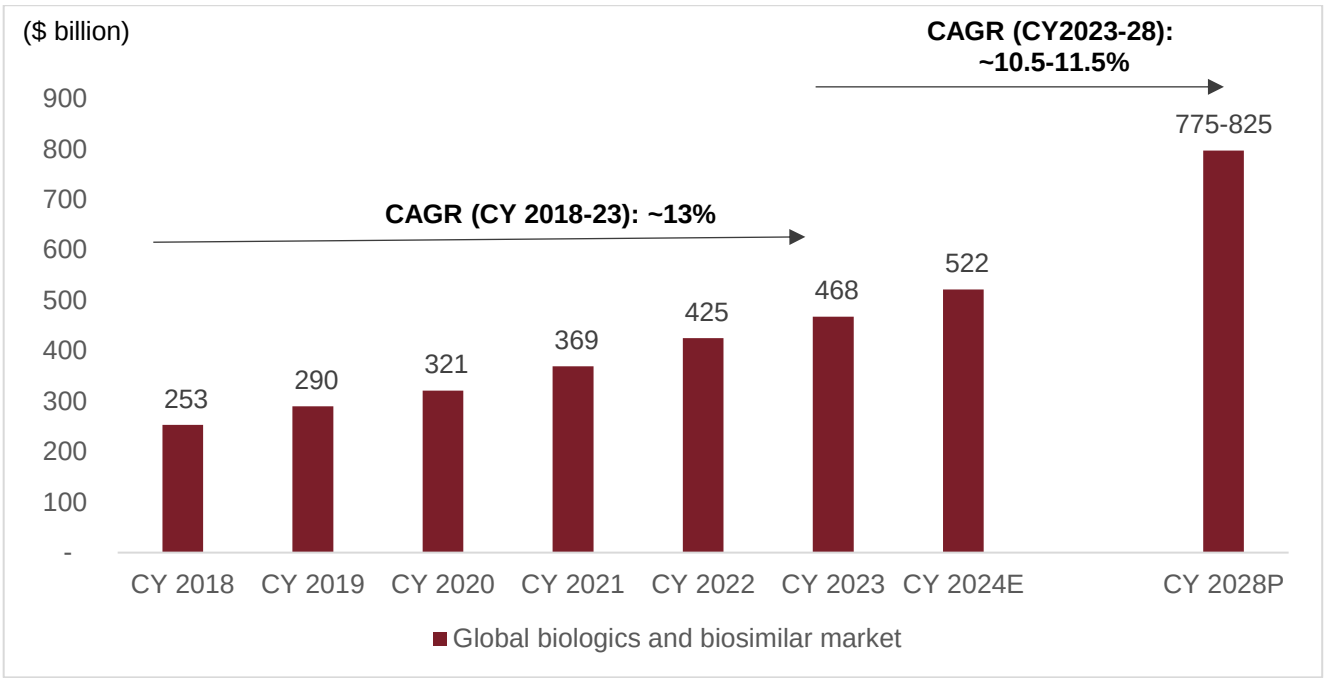
Biologics and biosimilars players faces the challenge of longer gestation periods, due to extended payback periods and uncertainties in marketing the products. It takes 5-6 years for a biopharmaceutical company to commercialise a biosimilar drug. Thus, realisation of cash flows takes longer, giving rise to liquidity risks.

**Biopharmaceutical Drug development stages**


**Global biopharmaceuticals segment will see increase in share in pharmaceutical market**

Biologics and biosimilar market is expected to reach around ~775-825 USD billion by the year 2028 growing at approximately 10.5-11.5% CAGR in the period 2023-2028, driven by the launch of new biologics. The segment is expected to clock a stronger growth than the global pharmaceutical market. Higher effectiveness of biologics over conventional drugs has prompted global players to undertake more research and development in the segment. Therefore, by 2028, CRISIL expects the share of biopharmaceuticals segment to increase to ~39-42% from ~31% in 2023. As per CRISIL estimates, of the top 50 global drugs as of 2020, 25-30 belonged to the biopharma segment. Therefore, the share of biopharma is expected to continue to increase, supported by new drug approvals coupled with the increasing sales of the current portfolio of biologics drugs.

**Review and outlook of global biologics and biosimilar market**

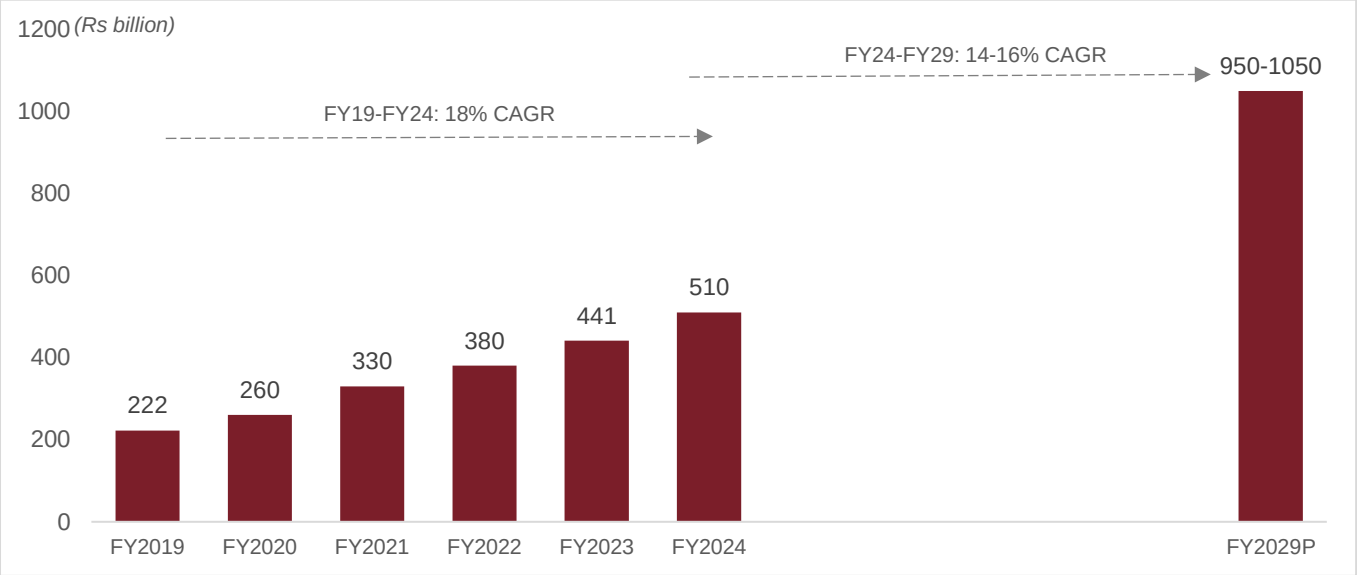



*Note: E: Estimated, P: Projected; Source: Industry, CRISIL MI&A*

**Overview of the biologics and biosimilars market in India**

Biopharmaceuticals or biologics are substances produced by manipulating living organisms via techniques such as genomics (mapping of genes), proteomics (study of structure of proteins), mutation analysis (change in the DNA sequence of a cell) and systems biology (study of complex interactions in a biological system) intended for human/animal treatment. Globally, these techniques are referred to as biotechnology, which in other words is a process technology or a drug discovery research tool. Biopharmaceuticals are drugs developed by applying biotechnology on living organisms / biologics for treatment of diseases.

**Review and outlook of Indian biopharmaceutical industry**




*Note: Market included domestic and export sales of biopharmaceuticals*
*Source: CRISIL MI&A*

The Indian biologics industry can be roughly categorised under traditional vaccine makers and manufacturers focused more on therapeutic biologicals. Further, there are players primarily focusing on recombinant therapeutics and monoclonal antibodies. Erythropoietin (used in severe anemia/cancer), Streptokinase and recombinant human Insulin, Filgrastim etc. are the most common recombinant drugs currently marketed in India. In the therapeutic category, Indian companies are present in areas such as immunological, oncology, osteoarthritis, anti-diabetic etc.

During fiscal 2019 to fiscal 2024, the Indian biopharmaceuticals industry clocked a CAGR of ~18%, primarily on account of increase in sale of vaccines in the domestic as well as global markets. On the other hand, in the therapeutic segment, growth has been lower than that in the vaccines segment due to limited product launch by Indian players to enter the regulated markets of the US and Europe.

Going forward, growth is expected to be driven by new product launches in the domestic market and regulated exports market. Growth in exports is set to witness strong growth, driven by vaccines and biosimilars in the regulated and semi-regulated markets.

Higher effectiveness of biologics over conventional drugs has prompted global players to undertake more research and development in the segment. Therefore, the share of biopharmaceuticals segment is expected to increase to. Hence, more Indian players are likely to align their capabilities with the global trend and invest in biosimilars.

**Overview of insulin molecule landscape in key markets**

Globally, as per International Diabetes Federation, 540 million people worldwide have diabetes and representing almost 10% of adult population (20-79 years). Human insulin is used to control blood sugar in people who have type 1 diabetes (condition in which the body does not make insulin and therefore cannot control the amount of sugar in the blood) or in people who have type 2 diabetes(condition in which the blood sugar is too high because the body does not produce or use insulin normally).

Human insulin is used to take the place of insulin that is normally produced by the body. It works by helping move sugar from the blood into other body tissues where it is used for energy. It also stops the liver from producing more sugar. Insulin, which had historically been regulated like a drug made from chemicals, transitioned to the biologics regulatory pathway in 2020.In March 2020, under the Biologics Price Competition and Innovation Act of 2009, insulin will be classified as a biological product and regulated under the Public Health Service Act. This will allow the FDA to license biosimilar and interchangeable insulin products. Having interchangeable insulin products that can be substituted by the pharmacist without physician intervention will lead to increased access for the product and reduced drug prices for patients.

**Indian insulin landscape**: As of FY24, Anti-diabetic therapy area constituted approximately ~9% of all therapies catered by Indian domestic pharmaceutical market and is expected to grow at 10-11% CAGR from FY24 to FY29 indicating healthy growth potential for the therapy segment.

With the ongoing increase in diabetes prevalence in India, there is a growing demand for cost-effective biosimilar insulin options. Biosimilar insulins are progressing toward global availability, offering a solution for all diabetes patients. Introduction

of these biosimilar insulins to the market is expected to foster increased competition, which could result in reduced insulin prices for all patients. Hence, the availability of biosimilar insulin can help to overcome the hurdle of insulin inaccessibility.

Also, Interchangeable biosimilar insulin may also improve the accessibility of insulin. Designating biosimilars as "interchangeable" may stimulate a faster adoption of these insulin products, while also effectively managing insulin expenses.

**Insulin landscape in developed markets:** In the developed markets like USA and Europe, a comprehensive regulatory framework is in place for the approval of biosimilars. Over the years, regulatory bodies in the USA and Europe have released scientific guidelines aimed at assisting developers in meeting the stringent regulatory standards for biosimilar approval. These guidelines have adapted to stay in alignment with the rapid advancements in biotechnology and analytical sciences, incorporating the growing clinical experience into their recommendations. In terms of insulin approvals, Insulin Aspart, a rapid-acting insulin analog, was approved by the U.S. FDA in the year 2000. In the same year, the U.S. regulator approved Insulin Glargine, a long-acting insulin analog. Indicating early adoption of biologics and biosimilars for insulin in the developed markets.

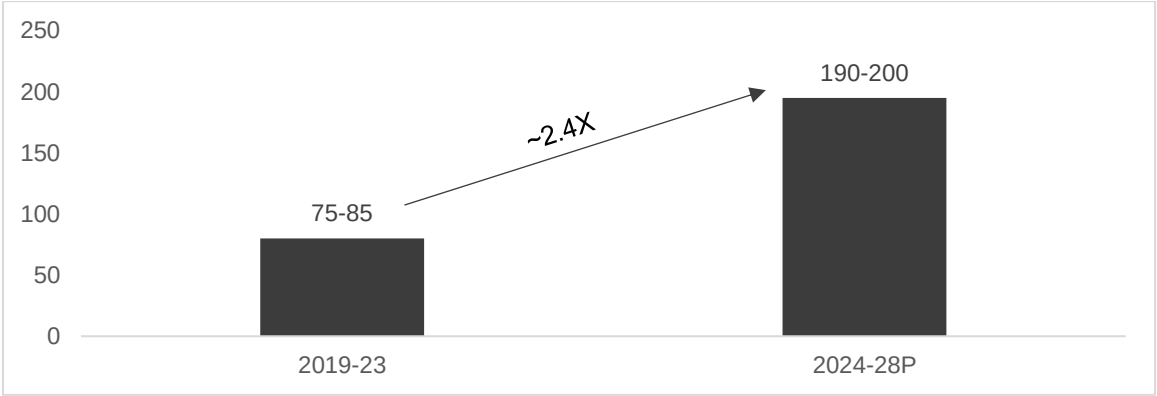
**Insulin landscape in emerging markets:** The rising rate of diabetes globally, particularly in low- and middle-income countries which are the emerging markets in the pharmaceutical landscape represents a significant health and economic burden for the overall healthcare system but also an opportunity for insulin biosimilar manufacturers to tap into the opportunity. In these emerging markets, there is presence of larger insulin biosimilar manufacturers as well as smaller insulin biosimilar manufacturers who usually operate in these semi-regulated markets.

**Overview of key trends and growth drivers**

**Patent cliff presents opportunity in regulated markets**

Patented biopharmaceuticals of value nearly 80-100 are set to expire over the next 5 years globally. Further, even among the drugs where patents have already expired, the penetration of biosimilars is very low due to regulatory challenges and difficult procedural requirements of all-phase clinical trials. In core pharmaceuticals, all-phase clinical trials are not required for generic launches. These expiries will present a lucrative opportunity for Indian players to launch biosimilar versions in regulated markets. Compared with a generic chemical molecule, such biopharmaceutical drugs can contribute higher revenue and margin realisation since most products catering to critical chronic ailments.

**Global value of biopharmaceutical drugs going off-patent**




*Source: CRISIL MI&A*

**Anti-diabetics and Oncology are some of the key therapy areas for biosimilars**

The growth in the biosimilars space is expected to continue in the coming few years. In the Anti-diabetic therapy area insulin glargine and insulin lispro are some of the notable and some of the first biosimilars to be launched in the global market. While in oncology therapy area bevacizumab and rituximab are some of the notable biosimilars to be launched. Growing disease burden in chronic diseases such as cancer and diabetes coupled with patient awareness and affordable treatment is supporting the uptake of the biosimilars and going ahead is expected to support growth for biosimilars in these therapeutic categories. Biosimilars have grown in popularity particularly in the regulated market after it got push from regulatory authorities in US and Europe. The rate of approvals for biosimilars in these regulated markets have increased in the recent years. At a regional level, Europe and North America will continue to account for the largest share of global biosimilar volume, although greater rates of volume growth are expected in the major emerging markets like Asia, Latin America etc. over the next few years.

**Regulated markets speed up biosimilars approvals-opportunity looms for Indian players**

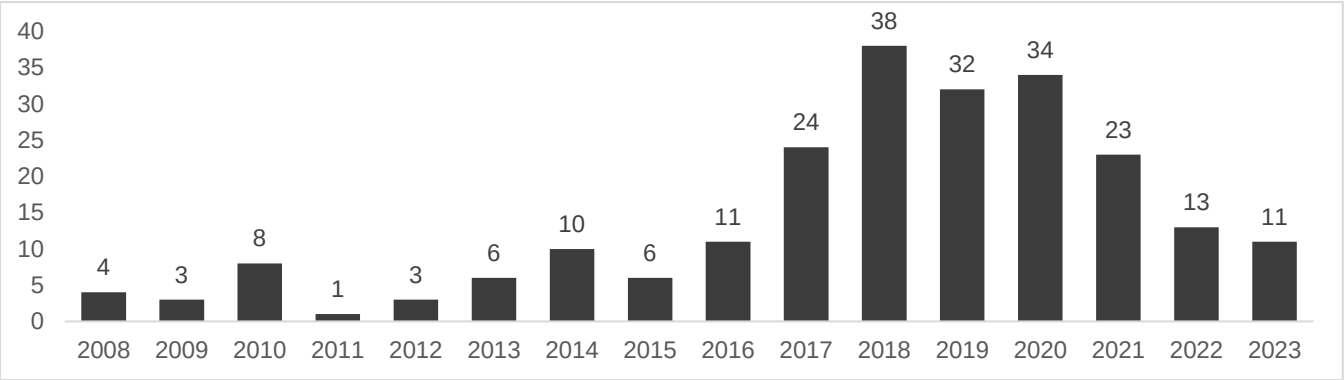
The regulated markets have been more cautious in allowing biosimilars, primarily due to quality concerns. Therefore, Indian

players have largely concentrated on the semi-regulated markets for biosimilars launches. However, the demand and the margins enjoyed in the semi-regulated markets are substantially lower.

However, the regulated markets have now shown increased interest in promoting biosimilars in order to cut high healthcare expenditures. The first biosimilar (in regulated markets) was launched in Europe in 2007 and, till 2012, only a total of 21 biosimilars were launched. However, post 2012, over 40 biosimilars have been launched in various markets, thereby providing an opportunity to global generic players

The pace of approvals in the regulated markets has increased substantially over the last few years. Therefore, due to the opportunity visible in regulated markets, generics players have started to increase their focus on the biosimilars segment.

**Number of biosimilars approvals in regulated market**




*Source: CRISIL MI&A*

**Biosimilars presents an opportunity for Indian players**

Biologics share in total patent expires by value is expected to be higher in next few years, signifying a tremendous opportunity for players. The top 10 biologics had a combined global sales worth over $65 billion. The top players have already started moving towards bio-similar.

Further, even among the drugs where patents have already expired, the penetration of biosimilars is very low due to regulatory challenges and difficult procedural requirements of all-phase clinical trials. These expiries will present a lucrative opportunity for Indian players to launch biosimilar versions in regulated markets. Compared with a generic chemical molecule, such biopharmaceutical drugs can contribute higher revenue and margin realization since most products catering to critical chronic ailments. Moreover, there are relatively fewer players per product on account of the higher cost of development and the drugs can be more effective. Also in recent times there has been regulatory push for the guidelines in approving biosimilars in the regulated markets like USA and Europe. The US FDA announced the Biosimilars Action Plan in July 2018, to ease market access of biosimilars in the country. These factors are also expected to aid the growth in the biosimilars across globe.

**Data on drugs going off patent**

| Sr No | Calendar year | Number of products going off patent |
|---|---|---|
| 1 | 2024 | 447 |
| 2 | 2025 | 430 |
| 3 | 2026 | 424 |
| 4 | 2027 | 181 |
| 5 | 2028 | 163 |

*Note: Number of products going off patent indicates products that are losing their market exclusivity*
*Source: US FDA, CRISIL MI&A*

**Rising uptake of biologics and biosimilar injectables**

Biologics are making robust progress in the pharmaceutical industry which are used primarily to treat chronic diseases such as cancer, rheumatoid arthritis, kidney-related diseases, etc. Biologics Injectables in the pharmaceutical industry are witnessing increased adoption as the preferred drug delivery systems due to their ease of handling, less overfills and more safety to patients. In the US market biosimilar (generic versions of biologic drugs) penetration has been traditionally very low, despite the country creating a regulatory framework in 2010. The cautious approach of the US Food and Drugs Administration (US FDA) may be attributed to the higher level of complexity involved in biologics as compared with chemical drugs. No biosimilar was approved by the US FDA until March 2015. However, post March 2015, 34 biosimilars have been approved so far (as of April 2022). The faster approval is on account of streamlining of regulations by the US FDA. Further, rising healthcare costs makes it

imperative for the US government to push biosimilars.

**Key recent M&A deals in injectables pharmaceuticals industry**

| Sr. No. | Acquirer | Target | Deal value |
|---|---|---|---|
| 1 | Roche | Carmot Therapeutics | US$ 2.7 billion |
| 2 | Pfizer | Seagen Inc | US$ 43 billion |
| 3 | Astellas Pharma Inc | Iveric Bio | US$ 5.9 billion |
| 4 | Swedish Orphan Biovitrum AB | CTI Biopharma | US$ 1.7 billion |
| 5 | Merck | Prometheus Biosciences | US$ 10.8 billion |
| 6 | Sanofi | Prevention Bio | US$ 2.9 billion |
| 7 | Eli Lilly | Dice Therapeutics | US$ 2.4 billion |
| 8 | Sun Pharmaceuticals Industries Ltd | Concert Pharmaceuticals | US$ 0.4 billion |

*Source: CRISIL MI&A*

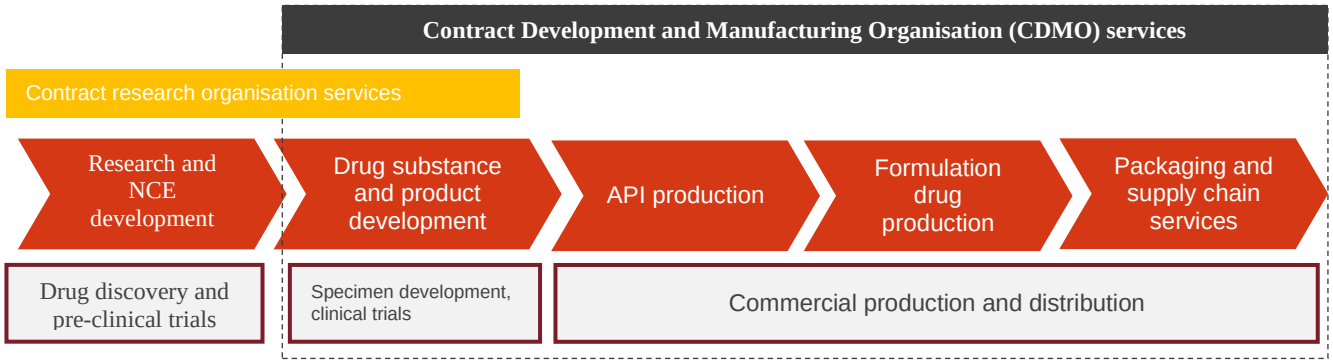
## 7. Assessment of the global formulations CDMO market

**Overview of outsourcing in global pharma market**

CDMO has emerged as a viable model for the global pharmaceutical industry. With increasing globalisation and the focus of large players on cutting costs and optimising operations, there is significant acceptance for CDMOs in the pharmaceutical industry worldwide. The growing demand for generic medicines and biologics, focus on reducing time to market, the capital-intensive business and the complex manufacturing requirements have encouraged many pharmaceutical companies to identify the potential benefits of contract manufacturing and outsourcing manufacturing activities. Other aspects include need for innovation, gaining access to specialised knowledge and technology, lower capex spends and increasing speed and agility.

Hence, pharmaceutical companies are gradually outsourcing R&D to academic entities and private contract research organisations (CROs) to reduce drug-development timelines and costs. The companies are partnering with manufacturers in some emerging countries due to the availability of skilled and low-cost manpower and quality data. With increasing outsourcing activities, CMOs are likely to gain advantages over in-house manufacturing facilities.

**Overview of CDMO services**




CROs and CDMOs offer outsourcing services for pharmaceutical research, development and manufacturing. CROs typically support pharmaceutical companies for drug and NCE development and clinical research and trials. They carry out patient recruitment for clinical trials, clinical monitoring, analytics of the data collected, biostatistics and regulatory consultations.

CDMOs take over formulation drug development and manufacturing activities. CDMOs which offer drugs development include companies that conduct clinical trials, develop a specimen copy of the finished formulation and offer generic drug development for drugs going off-patent. Usually, the pharmaceutical marketing companies transfer the process technology to the CDMOs, which conduct development and manufacturing activities on behalf of the marketing company.

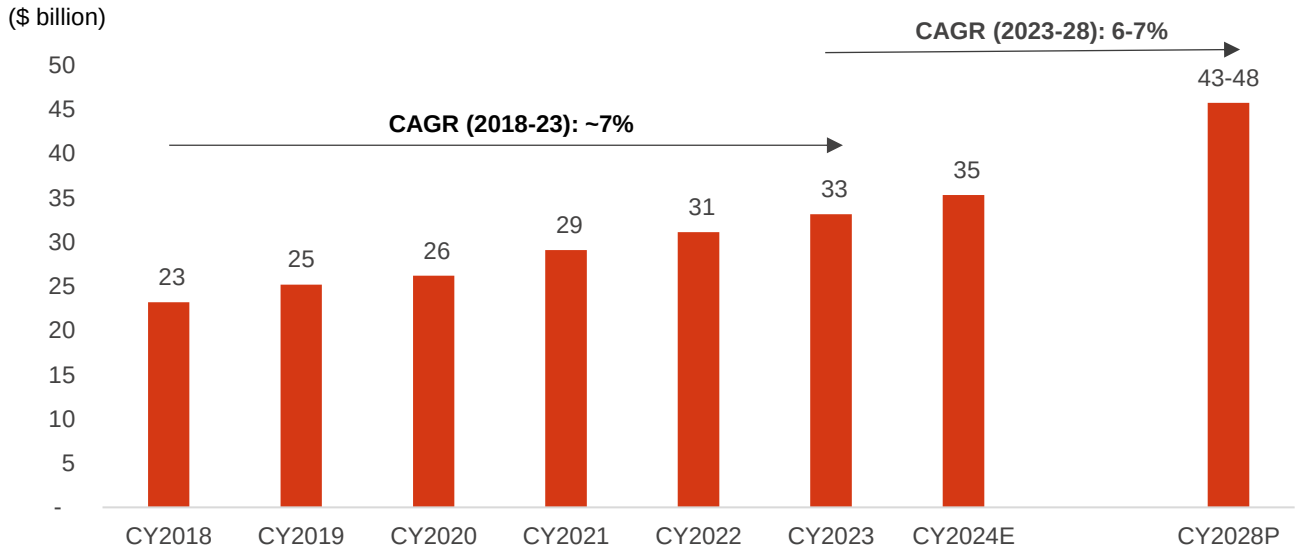
**Increased outsourcing by big pharma companies driving global formulation CDMO market growth**

The global formulations CDMO market caters to specimen development, clinical trials, commercial production and distribution of formulation drugs. In value terms, the global formulation CDMO market grew at ~7% CAGR from ~$23 billion in 2018 to ~$33 billion in 2023. As compared with ~4.5% CAGR for the global pharmaceutical industry across the period, the CDMO formulations industry grew at a faster pace, indicating increased willingness for outsourcing. This willingness is mainly driven by advantages offered by partnering CDMOs, including reduction of time to market, cost savings, ability to reallocate internal resources towards drug development, diversification of production sites and the reduction of complexity of business activities. Accordingly, we expect the CDMO market to grow not only because of the overall pharmaceutical industry, but also due to the shift towards increased penetration of outsourcing activities in the pharmaceutical industry.

**Global formulations CDMO market to grow at 6-7% CAGR from 2023 to 2028**

The global CDMO formulations market is expected to reach $43-48 billion by 2028 due to robust growth in the outsourcing space, aided by many large pharma players outsourcing their research and manufacturing to specialised contract manufacturing players. In addition, companies are increasingly outsourcing formulations R&D to CDMOs. Rising penetration of generics along with development of newer molecules is expected to support the growth of the CDMO market in the near to medium term.

**Review and outlook on global formulations outsourcing market**



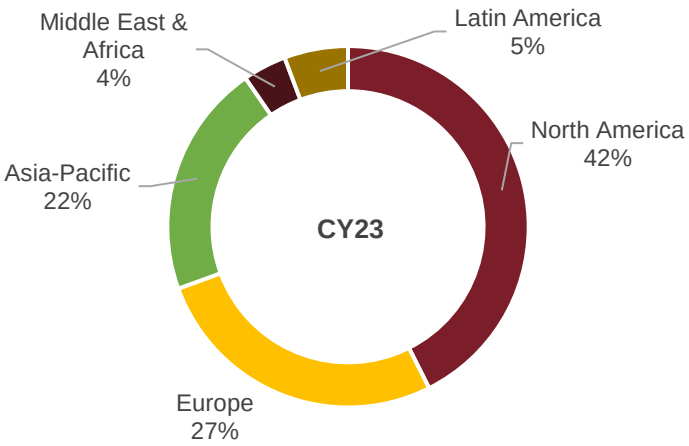

*Note: E: Estimate, P-Projected*
*Source: CRISIL MI&A*

**North America leads the formulations outsourcing market**

Accounting for ~42% of overall revenue, North America had the highest revenue share of the global formulations outsourcing market in 2023. It was followed by Europe with 27% of total global formulations outsourcing revenue, while the growing Asia-Pacific market's revenue share stood at 22%. The smaller Latin America and Middle East and Africa markets accounted for ~5% and 4%, respectively.

In addition to being one of the leading generics markets in the world, North America's formulations outsourcing market was estimated at ~$13.9 billion in 2023, followed by Europe and Asia-Pacific at ~$8.9 billion and ~$7.3 billion, respectively. Growth in the North American market, particularly in the US, is mainly due to higher R&D spend and big pharma companies partnering with specialised contract manufacturers.

**Region-wise segmentation of global formulations outsourcing market**

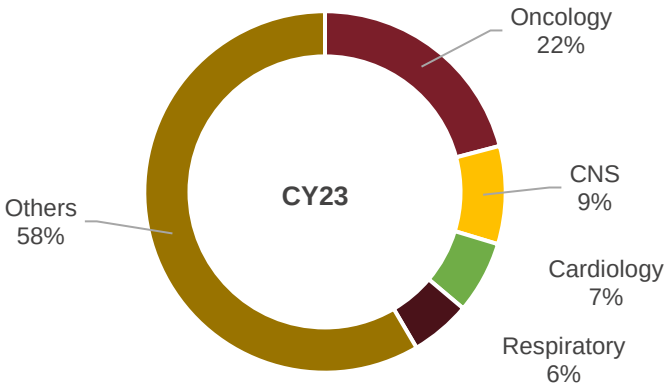



*Source: CRISIL MI&A*

**Oncology is the largest therapy segment**

Oncology is the largest therapy under the global formulations outsourcing segment. With the increased prevalence of cancer across the globe, the share of oncology is estimated to be ~$7.3 billion in 2023. Oncology is followed by central nervous system (CNS)-related therapy and cardiology at ~$2.8 billion and $~2.2 billion, respectively. In 2023, oncology had 22% share of the overall revenue of the global formulations outsourcing market, followed by CNS-related therapies and cardiology at 9% and 7%, respectively.

**Therapy-wise segmentation of global formulations outsourcing market**

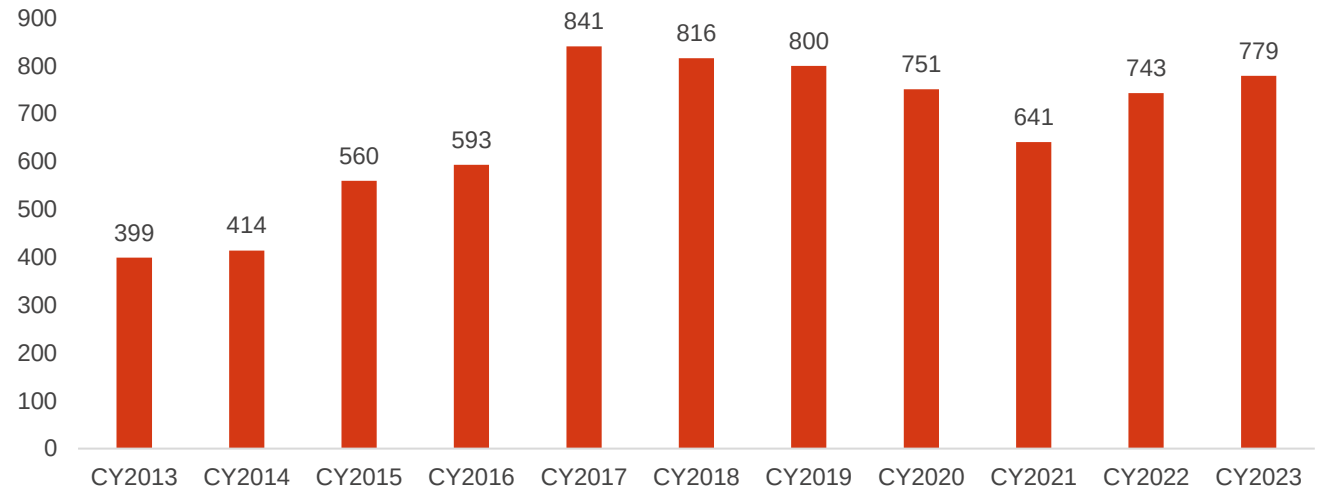



*Source: CRISIL MI&A*

**Growing demand for generics and biologics**

With the growing demand for generic medicines and biologics, which is evident from the increasing number of ANDA approvals from regulatory bodies like the US FDA, have aided the penetration of generic medicines in the regulated markets. In light of the capital-intensive nature of the business and the complex manufacturing requirements, many pharmaceutical companies have identified the potential profitability in engaging with contract manufacturing outsourcing organisations for formulation manufacturing. Pharmaceutical companies are also outsourcing R&D activities to academic and private CROs to reduce drug development timelines and costs.

**ANDA approvals**




*Source: US FDA, CRISIL MI&A*

**Greater flexibility, reduced costs in the business models of large pharma companies**

Pharmaceutical companies are partnering with manufacturing facilities in emerging countries to access skilled, low-cost manpower and quality data. Lower costs, greater innovation, access to specialised knowledge and technology, and increased speed and agility are key factors encouraging pharma companies to expand their formulation development outsourcing.

**End-to-end service and technical specialties of contract manufacturers**

CDMOs are investing in personnel, infrastructure and technology to acquire a significant revenue share of the healthcare outsourcing market. An increasing number of end-to-end service providers to meet the rising demand for low-cost drug development and manufacturing, is anticipated to propel market growth. Moreover, novel drug delivery mechanisms and new product launches are expected to drive formulation development outsourcing demand.

**Increase in off-patent products to aid outsourcing segment**

Patent protection expiration of effective drugs is one of the factors driving growth of the formulation development outsourcing market. The patent cliff will result in cheaper generic versions in the market, which will increase the demand for outsourcing. The expiry of patents for original products presents an opportunity for generic companies and partner CDMO firms to launch generic versions of the products.

**Rise in number of drug approvals**

Increase in drug approvals by regulatory bodies is expected to fuel pharmaceutical formulation manufacturing activities. For instance, the US FDA approved 59 drugs in 2018, 48 in 2019, 53 in 2020, 50 in 2021, 37 in 2022 and 55 in 2023. These new drug approvals are expected to accelerate formulation development outsourcing demand as outsourcing allows pharmaceutical clients to expand their technical resources without increased overheads. Furthermore, a large number of ongoing clinical trials have created numerous growth opportunities in the market for pharmaceutical manufacturing. For instance, according to the National Clinical Trials Registry, as of October 2023, there were more than 469,500 ongoing clinical trials worldwide across different phases of development for the treatment of several disorders.

**New drug approvals**

| Sr no | Year | No of new products approved |
|---|---|---|
| 1 | 2018 | 59 |
| 2 | 2019 | 48 |
| 3 | 2020 | 53 |
| 4 | 2021 | 50 |
| 5 | 2022 | 37 |
| 6 | 2023 | 55 |

*Source: US FDA, CRISIL MI&A*

**CDMOs as integrated service providers**

CDMOs are investing in personnel, infrastructure and technology to acquire a significant revenue share of the healthcare outsourcing market. CDMO players are investing in technology and are becoming end-to-end service providers to meet the rising demand for low-cost drug development and manufacturing. Moreover, novel drug delivery mechanisms and new product launches are anticipated to drive formulation development outsourcing demand. CDMOs are investing in novel areas like technology advancements and latest drug delivery mechanisms to provide a better value proposition and occupy larger share in the outsourcing market.

Increasing demand for diversified sourcing for supply stability

Recently, regulatory authorities across the world have strongly recommended pharmaceutical companies secure a source for stable drug production. For example, the US FDA requested pharmaceutical companies to establish a contingency plan, believing that supply stability cannot be guaranteed in case the drug is manufactured at a single site. Accordingly, pharmaceutical companies are making use of CDMOs to run multiple manufacturers for a single drug.

Asia-Pacific becoming a key outsourcing destination

The global pharmaceutical industry has been looking for new contract manufacturing regions, apart from North America and Europe. As a result, the Asia-Pacific region is becoming one of the key destinations for outsourced manufacturing with the presence of skilled workforce and certain cost advantages. Globally, industry players are looking at companies from countries like India and China for strategic partnership for outsourcing activities. Apart from cost advantages, growing consumption demand in end markets and increased expertise of region across pharma value chain are supporting the Asia-Pacific region become a key outsourcing destination.

**Global CDMO market highly fragmented with several smaller players**

The global CDMO market is characterised by high levels of fragmentation. Majority players in the market have annual revenue of less than $50-100 million. The CDMO industry is highly fragmented with many small players and a few large players. The industry is likely to undergo a significant degree of consolidation in the future as pharmaceutical companies prefer to work with fewer suppliers in order to achieve better accountability and quality assurance.

**Major players in the global CDMO industry**

| Companies | Business overview | Plant locations | Revenue ($ million) | | | |
|---|---|---|---|---|---|---|
| | | | 2020 | 2021 | 2022 | 2023 |
| **Lonza** | Key services/products offered: Small molecule, mammalian and microbial cell and gene technologies | Across the globe | 4,802 | 5,919 | 6,516 | 7,477 |
| **Catalent** | Key services/products offered: Protein, cell and gene therapy biologics, and consumer health products | US, Europe | 3,094 | 3,998 | 4,802 | 4,263 |
| **Recipharm** | Services/products offered: Sterile fill and finish, small molecule API, and vaccine manufacturing | US, Europe, India | 1,202 | 1,211 | 1,293 | 1,429 |
| **Siegfried** | Services/products offered: Oral solids, steriles, ophthalmic, and inhalation capsules | US, Europe, China | 900 | 1,206 | 1,287 | 1,415 |
| **Cambrex Corporation** | Services/products offered: Generic API, conventional dosage forms, and analytical services | US, Europe | NA | NA | NA | NA |
| **Aenova Group** | Services/products offered: Manufacture of solid, semi-solids, steriles and packaging | US, Europe | 845 | 825 | 789 | 901 |
| **Boehringer Ingelheim*** | Biopharmaceutical contract manufacturer | US, Europe, China | 893 | 976 | 1,018 | 1,108 |
| **Samsung Biologics** | Among the major players in biologics CMO services | Songdo in South Korea | 987 | 1,370 | 2,323 | 2,829 |

*Note: The above is an indicative list, and not exhaustive*
*NA: Not available*
**The revenue is for the company's biopharmaceutical contract manufacturing business*

| $ to corresponding currency | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|
| Euro (EUR) | 0.88 | 0.85 | 0.95 | 0.92 |
| Swedish krona (SEK) | 9.21 | 8.58 | 10.12 | 10.61 |

| $ to corresponding currency | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|
| Swiss franc (CHF) | 0.94 | 0.91 | 0.96 | 0.90 |
| South Korean won (KWR) | 1,179.60 | 1,144.54 | 1,291.88 | 1,306.14 |

*Source: Company annual reports and websites, CRISIL MI&A*

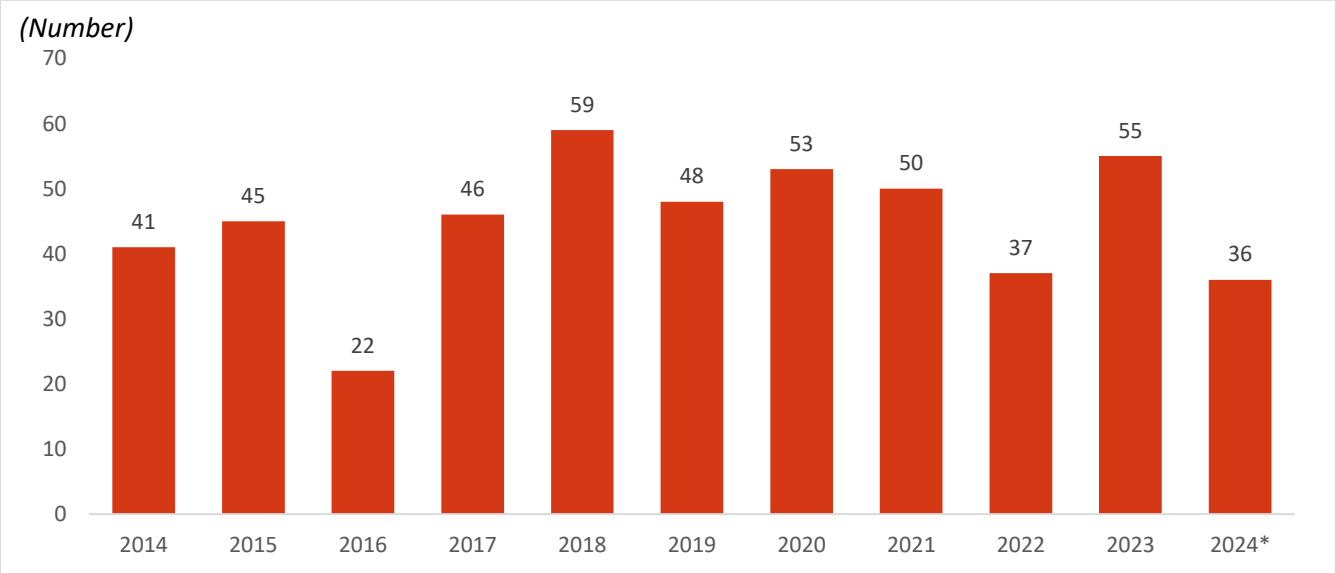
## 8. Assessment of R&D activities

Pharmaceutical companies across the world invest in R&D activities in order to discover and develop new molecules. Research and development activities are key to the development of new molecules and NCEs This can lead to the development of innovative medicines useful in the treatment of various diseases. Globally, the number of clinical trials has been increasing with the prevalence of chronic diseases, and the growing demand for clinical trials in developing countries is also fuelling the market growth.

The global market is also driven by a rising number of biologics and biosimilars. The need for orphan drugs and the demand for advanced technologies, globalisation of clinical trials, and technological evolution to conduct clinical trials are further projected to drive the pharmaceutical market growth. Large formulation players employ PhD holders for R&D activities, to explore new opportunities in the generic space. Pharmaceutical players are also looking at opportunities in the biopharma segment. In India, major formulation players are into development of generics, which constitute speciality as well as complex generics portfolio. Majority of R&D spend by Indian companies is towards the development of complex molecules, particularly for marketing in the regulated market.

Novel drugs are often innovative products useful in advance treatment. 55 novel drugs were approved by the Center for Drug Evaluation and Research (CDER) in 2023, either as new therapeutic biologics under the Biologics License Applications or as new molecular entities under NDAs. Of the 55 drugs, 20, i.e., 36%, were approved as first-in-class medication, meaning that these drugs have different mechanisms of actions compared with existing therapies. Additionally, 28, i.e., 51%, received orphan drug designation as they target rare diseases. CDER approved 46, i.e., 84% of the drugs, in the first review cycle. In 2024, as of 17 October, 36 novel drugs were approved by the Center for Drug Evaluation and Research (CDER).

**New molecular entity and new therapeutic biological product approvals – US FDA**




*Note:*
** Data as of October 17, 2024*
*Source: US FDA, CRISIL MI&A*

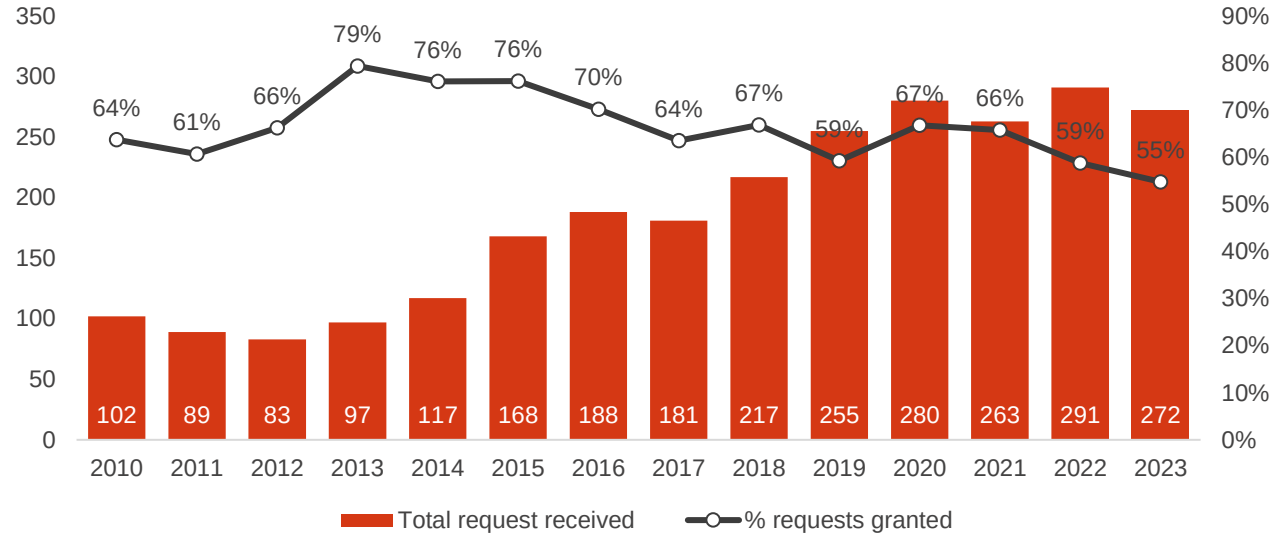
**Antibiotic incentives**

The Generating Antibiotic Incentives Now (GAIN) Act incentivises developing drugs that are intended for human use and are antibacterial and anti-fungal in nature for the treatment of life threating diseases. Once the drug meets all the pre-requisites under the GAIN Act, it receives the qualified infectious disease product (QIDP) status. Drugs with the QIDP status are eligible for fast development process and priority review. In general, the fast-track development process is requested during the IND phase of drug development. The fast-track process aids development and review stages of new drugs and biologics that are focused towards:

- Treatment of serious or life-threatening conditions
- Addressing unmet medical needs

**Fast track designation requests – US FDA**

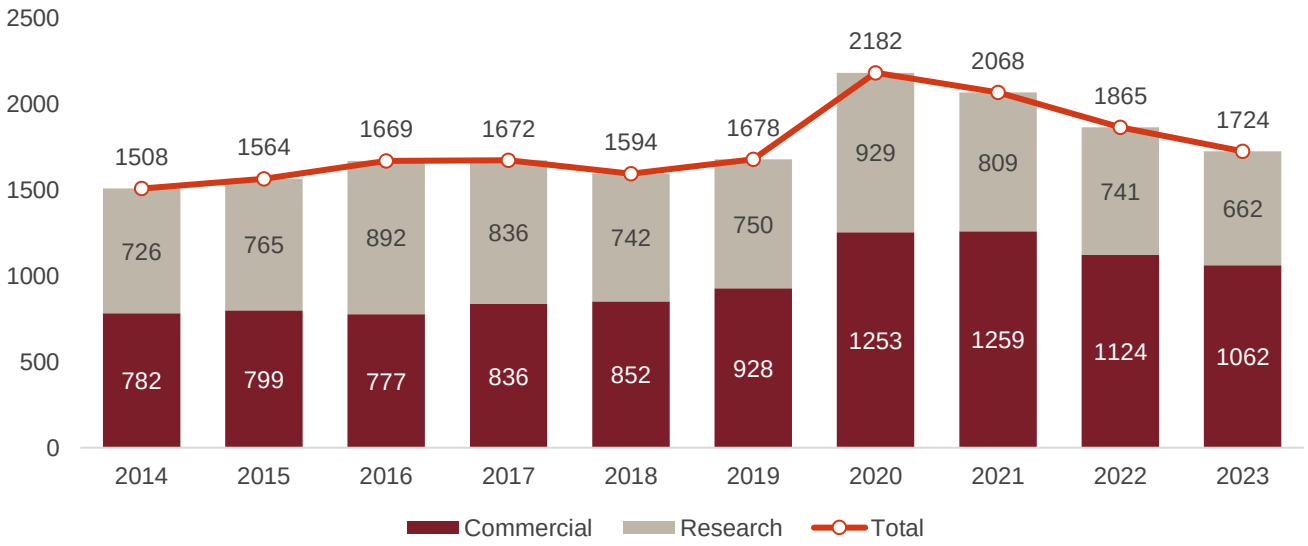
In 2023, CDER received 272 fast track requests, of which 149 were granted, 74 denied and the remaining were categorised as others, meaning the application or fast track designation request was withdrawn, or IND was inactivated. The number of requests received has seen a jump since the pandemic, owing to increased spending on R&D. However, the percentage of requests granted has seen a decline over the past 10 years, where it peaked in 2013 at 79%. Post Covid-19, the percentage of requests granted has seen a decline to the lowest level of 55% in 2023 from 67% in 2020.




*Source: US FDA, CRISIL MI&A*

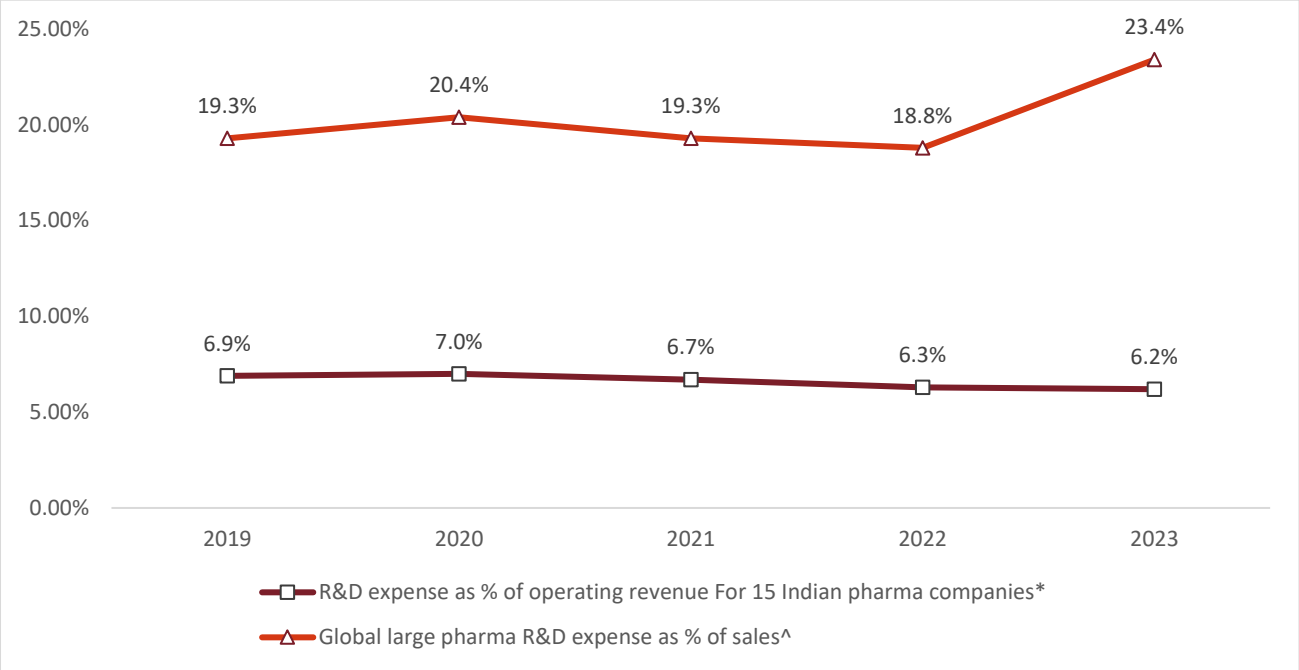
In 2023, CDER received 1,724 drug and non-biosimilar IND application receipts (662 research and 1,062 commercial). Even though the receipts decreased by ~7.5% from 2022 and by ~21% from the previous three years, peaking at 2,182 during the pandemic, they are still higher than the pre-Covid level, where the receipts were in the range of 1,500-1,700.

**CDER drug and non-biosimilar IND receipts**




*Source: US FDA, CRISIL MI&A*

**R&D as a percentage of operating income for 15 Indian pharma players vs global large pharma players**




*Note: *For the 15 Indian pharma players, fiscal year is considered, i.e,, FY24 is represented as 2023, FY23 as 2022 and so on*
*^For global pharma players, calendar year is considered*
*Indian players considered are Sun Pharma, Aurobindo Pharma, Dr Reddy's Laboratories, Cipla Ltd, Zydus Lifesciences Ltd, Lupin Ltd, Glenmark Pharmaceuticals Ltd, Alkem Laboratories, Torrent Pharmaceuticals, Mankind Pharma, Emcure Pharma, Abbott India, GlaxoSmithKline Pharmaceuticals Ltd, Alembic Pharma and Wockhardt Ltd*
*Source: Company filings, IQVIA, CRISIL MI&A*

**R&D investments for pharmaceutical companies in India**

| | FY22 | | | | | FY23 | | | | | FY24 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Company** | **Revenue R&D** | **Capex R&D** | **Total R&D** | **Revenue R&D as % of revenue** | **Total R&D as % of revenue** | **Revenue R&D** | **Capex R&D** | **Total R&D** | **Revenue R&D as % of revenue** | **Total R&D as % of revenue** | **Revenue R&D** | **Capex R&D** | **Total R&D** | **Revenue R&D as % of revenue** | **Total R&D as % of revenue** |
| **Abbott India** | 8 | 2.5 | 11 | 0.02% | 0.02% | 8 | 1 | 9 | 0.01% | 0.02% | 10 | 3 | 12 | 0.02% | 0.02% |
| **Alembic Pharma** | 8,385 | NA | NA | 15.8% | NA | 7,218 | NA | NA | 12.8% | NA | 4,749 | NA | NA | 7.6% | NA |
| **Aurobindo Pharma Ltd** | 15,814 | 1,400 | 17,213 | 6.7% | 7.3% | 14,115 | 1,124 | 15,240 | 5.7% | 6.1% | 14,699 | 2,305 | 17,004 | 5.1% | 5.9% |
| **Biocon Ltd*** | 5,950 | NA | NA | 7.3% | NA | 11,194 | NA | NA | 10.0% | NA | 11,540 | 74 | 11,614 | 7.8% | 7.9% |
| **Cipla Ltd** | 10,802 | NA | NA | 5.0% | NA | 12,922 | NA | NA | 5.7% | NA | 15,219 | NA | NA | 5.9% | NA |
| **Dr. Reddy's Laboratories Ltd** | 17,482 | 713 | 18,195 | 8.1% | 8.4% | 19,381 | 1,152 | 20,533 | 7.9% | 8.3% | 22,873 | NA | NA | 8.2% | NA |
| **GlaxoSmithKline** | 18 | NA | NA | 0.1% | NA | 19 | NA | NA | 0.1% | NA | 25 | NA | NA | 0.1% | NA |
| **Glenmark Pharmaceuticals Ltd** | NA | NA | 12,787 | NA | 10.4% | 11,342 | 1,158 | 12,500 | 8.7% | 9.6% | 10,830 | 1,428 | 12,258 | 7.8% | 8.9% |
| **Ipca Labs** | 1,179 | 235 | 1,415 | 2.0% | 2.4% | 1,308 | 257 | 1,565 | 2.1% | 2.5% | 1,499 | 116 | 1,615 | 1.9% | 2.1% |

| | FY22 | | | | | FY23 | | | | | FY24 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Company** | **Revenue R&D** | **Capex R&D** | **Total R&D** | **Revenue R&D as % of revenue** | **Total R&D as % of revenue** | **Revenue R&D** | **Capex R&D** | **Total R&D** | **Revenue R&D as % of revenue** | **Total R&D as % of revenue** | **Revenue R&D** | **Capex R&D** | **Total R&D** | **Revenue R&D as % of revenue** | **Total R&D as % of revenue** |
| **Lupin Ltd** | 14,024 | NA | NA | 8.5% | NA | 12,800 | NA | NA | 7.7% | NA | 15,265 | NA | NA | 7.6% | NA |
| **Panacea Biotech Ltd** | 358 | 21 | 379 | 5.4% | 5.7% | 328 | 45 | 373 | 7.1% | 8.1% | 429 | 23 | 452 | 7.7% | 8.1% |
| **Sun Pharmaceuticals Industries Ltd** | 21,235 | 869 | 22,104 | 5.5% | 5.7% | 22,257 | 599 | 22,856 | 5.1% | 5.2% | 30,425 | 499 | 30,924 | 6.3% | 6.4% |
| **Torrent Pharmaceuticals Ltd** | 5,160 | NA | NA | 6.1% | NA | 5,160 | NA | NA | 5.4% | NA | 5,270 | NA | NA | 4.9% | NA |
| **Wockhardt Ltd** | 1,430 | 1,580 | 3,010 | 4.4% | 9.3% | 1,410 | 1,320 | 2,730 | 5.3% | 10.3% | 1,320 | 1,490 | 2,810 | 4.7% | 10.0% |

*Note: Numbers have been rounded off to the nearest decimal place*
**R&D Values excluding Syngene*
*1) Figures are in Rs million*
*2) R&D as a percentage of revenue has been calculated using the formula: R&D expenditure/ (Revenue from operations + Revenue from discontinued operations)*
*3) NA: Not available (Total R&D spend as % has not been provided in the table above wherever clear bifurcation between revenue R&D and capex R&D is not available)*
*Source: Company annual reports, CRISIL MI&A*

**Key observations**

- R&D spend by key Indian pharmaceutical companies has been in the range of 5-10% of the total revenue
- Annual R&D spend by the Indian pharma industry is estimated at 6-7% of revenue from operations over the past five years (2019 to 2023), whereas global pharmaceutical companies spent 18-24% of their sales on R&D
- Post peak Covid-19, both global and Indian companies have seen a decrease in R&D spending. In 2023, global companies registered a steep increase in R&D spend while Indian companies' R&D remained range-bound at 6-7%
- Wockhardt spent 10.0% of its revenue on R&D activities in fiscal 2024 compared with 10.3% in fiscal 2023. Wockhardt is among the key research-based global pharmaceutical companies based in India in terms of R&D spends as a percentage of revenue. The company has filed 3,265 cumulative patents and has been granted 842 patents as on June 30, 2024. Of these, 24 patents were filed in fiscal 2024 alone. A total of 30 patents were granted in fiscal 2024 of which 28 patents were for NCEs. Wockhardt is among the list of Indian pharmaceutical companies to launch NCEs in recent years
- As of fiscal 2024, the company's six NCEs had been granted QIDP status – WCK 5222, WCK 4282, WCK 4873, WCK 771 (EMROK), WCK 2349 (EMROK O) and WCK 6777 – under various stages of development/trials. QIDP status by the US FDA helps the sponsor get a fast-track designation and grants a five-year extension to market exclusivity.
- Wockhardt's product Nafithromycin-WCK4873(Miqnaf) has received favourable recommendation from Subject Expert Committee of Central Drugs Standard Control Organization (CDSCO) for the Treatment for Community-Acquired Bacterial Pneumonia (CABP)
- Wockhardt's product WCK 5222 (Zaynich) is under development and in phase III trials. The product is intended to use for multi-drug/extensively drug-resistant gram negative infections encountered in ICUs such as sepsis and hospital/ventilator associated pneumonia.
- Wockhardt's product WCK 6777 used for treatment of complicated urinary tract infections is under phase I trials.

- Wockhardt’s product WCK 4282 used for Extended-spectrum beta-lactamases (ESBL) is under phase III trials.
- Wockhardt had filed fast-acting insulin analog, Aspart injection (Asparapid), with the Drugs Controller General of India (DCGI).
- Emrok (WCK 771) and Emrok O (WCK 2349) antibiotics containing Levonadifloxacin and Alalevonadifloxacin, respectively are developed by Wockhardt. Both the drugs were approved and launched in India in 2020.
- In the Indian biosimilars segment, Wockhardt's domestic competitors include Biocon, Lupin, Zydus Cadila, Dr Reddy’s, Intas and others
- In the global generic formulations market, Wockhardt competes with domestic companies like Sun Pharma, Aurobindo, Cipla, Dr Reddy's, Lupin, etc. and international players like Novartis AG, Teva pharmaceuticals, Vlatris Inc. etc.

## OUR BUSINESS

*Certain information contained in the following discussion, including information with respect to our plans and strategies, contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below in "Forward Looking Statements" and "Risk Factors" on pages 16 and 45, respectively. You should also read ""Risk Factors", "Industry Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 45, 130 and 98, respectively, as well as the financial, statistical and other information included in this Preliminary Placement Document, for a discussion and analysis of factors that may affect our business, financial condition, results of operations or cash flows.*

*Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. In this section, unless the context otherwise requires, a reference to "our Company" is a reference to Wockhardt Limited on a standalone basis, while any reference to our subsidiaries, "we", "us", "our" or "our Group" is a reference to the Company on a consolidated basis.*

*Industry and market data used in this section has been derived from the CRISIL Report, which was exclusively prepared for the purpose of the Issue. Our Company has commissioned and paid for the CRISIL Report pursuant to the engagement letter signed with CRISIL. CRISIL is not related in any manner to our Company, its Subsidiaries, Directors, members of Senior Management or the Promoters. For more details, see "Industry and Market Data" on page* 15*. For risks in relation to industry data, see "Risk Factors - Third party data in this Preliminary Placement Document may be incomplete or unreliable." on page 70.*

### Overview

We are among the key research-based global pharmaceutical companies based in India in terms of R&D spends as a percentage of revenue (*CRISIL Report*). We are engaged in the research and development, manufacture and distribution of pure and branded generics, vaccines, biosimilars, active pharmaceutical ingredients ("**APIs**"), as well as new chemical entity ("**NCE**") antibiotics targeting antimicrobial resistance ("**AMR**").

We have three key revenue streams, namely, biotechnology, NCEs and generics. Set out below are the details of our key revenue streams, along with their contribution to our revenue from operations, for the last three financial years and three months ended June 30, 2024 and June 30, 2023:

| Category | For the year ended March 31, | | | | | | For the three months period ended | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | | June 30, 2023 | | June 30, 2024 | |
| | in ₹ crores | % of revenue from operations | in ₹ crores | % of revenue from operations | in ₹ crores | % of revenue from operations | in ₹ crores | % of revenue from operations | in ₹ crores | % of revenue from operations |
| Biotechnology | 430 | 13.3 | 421 | 15.9 | 482 | 17.2 | 83 | 12.8 | 138 | 18.7 |
| NCEs | 30 | 0.9 | 30 | 1.1 | 35 | 1.3 | 8 | 1.2 | 10 | 1.3 |
| Generics and Others* | 2,770 | 85.8 | 2,200 | 83.0 | 2,281 | 81.5 | 553 | 86.0 | 591 | 80.0 |
| **Total** | **3,230** | **100.0** | **2,651** | **100.0** | **2,798** | **100.0** | **644** | **100.0** | **739** | **100.0** |

** Includes vaccines.*

We have a global footprint with operations spread across approximately 45 countries as of June 30, 2024. For details of our revenues from India and international markets, please see "*Diversified product portfolio across multiple therapeutic segments with a global footprint*" on page 190.

We are also in the business of vaccine manufacturing and supply, supported by our long term supply arrangement with a global vaccine company. We also have long term arrangements with leading pharmaceutical companies for Miqnaf (Nafithromycin), Emrok and Emrok O and Methycobal in China, Russia and India, respectively.

We manufacture and distribute pharmaceutical products across acute therapeutic areas, such as pain management, cough, nutrition, steroids, anti-infective and acute dermatology, and chronic therapeutic areas, such as diabetes, nephrology, neuropsychiatry, chronic pain and chronic dermatology, as well as different drug delivery forms, including solids, injectables, biotechnology, liquids, nasal sprays and complex technologies.

We are focused on deepening our market share in chronic therapies, which typically involve medicines being prescribed over an extended period of time as opposed to once or for a limited period of time. Chronic therapeutic areas accounted for 39%, 47%, 48%, 48% and 47% of our total revenue from continuing operations for Fiscal 2022, 2023, 2024, and the three months period ended June 30, 2024 and June 30, 2023, respectively, as compared to acute therapeutic areas, which accounted for 51%, 47%, 46%, 45% and 43%, respectively, of our revenue from operations during the same periods. For further details of our revenue from our various therapeutic areas, please see "*Our Products*" on page 195.

For Fiscal 2022, 2023, 2024, and the three months period ended June 30, 2024 and June 30, 2023, biotechnology contributed 13%, 16%, 17%, 13% and 19% to our revenue from operations.

We have leveraged our established capabilities in manufacturing and distribution of pharmaceutical and biotechnology products to build innovative and multi-disciplinary research and development capabilities. Our research and development efforts have resulted in 3,265 patents filed and 842 patents held worldwide as of June 30, 2024. We have over 350 scientists with 63 PhDs and more than 132 associates in the drug discovery team across our two research and development centres (one R&D centre each in India and United Kingdom) and other locations as of June 30, 2024.

We have more than 25 years of experience in novel antibiotics research leading to end-to-end discovery and development capabilities. We launched two NCEs in India in June 2020, namely the Emrok and Emrok O antibiotics, against the treatment of acute bacterial skin and skin structure infections; including methicillin-resistant staphylococcus aureus ("**MRSA**") infections, which is a leading cause of AMR. Additionally, all six of our anti-bacterial NCEs, namely, Zaynich (WCK 5222), Miqnaf (Nafithromycin), EMROK (WCK 771), EMROK O (WCK 2349), Foviscu (WCK 4282) and Odrate (WCK 6777) have been granted the Qualified Infectious Disease Product ("**QIDP**") status by the US FDA, which provides for fast track clinical development process and priority review, coupled with a 5 year extension to market exclusivity (*CRISIL Report*).

- Based on market opportunity, we have also filed for market authorisation/registration for Emrok and Emrok O in some of the emerging markets including, Thailand, Philippines, Vietnam, Kenya, Tanzania, Nigeria and Uganda.
- We are developing Zaynich (WCK 5222) a β-lactam enhancer - a new class of antibiotic to treat Multi Drug Resistant/ Extensive Drug Resistant Gram-negative infections. It is currently under Global Phase III clinical study for cUTI indication for 528 patients and around 90% patients have been recruited so far.
- Nafithromycin (Miqnaf) -a broad spectrum lactone ketolide for Community Acquired Bacterial Pneumonia (CABP) and Upper Respiratory tract infections (URTI) is currently awaiting approval for manufacturing and marketing from DCGI for the Indian market.
- WCK 4282 (Foviscu) is undergoing Phase III clinical trials for complicated Urinary Tract Infections. This drug also has potential for HABP/VABP indication. WCK 6777 (Odrate) has completed Phase I clinical trial for complicated Urinary Tract Infections. The study was conducted in collaboration with National Institute of Health, USA.

With our current experience in novel antibiotics research, discovery and development capabilities, we believe that we are in a position to leverage to our advantage the need for AMR targeting drugs in the market. We have also extensive experience in biotechnology focused on antidiabetes biosimilars. We have developed & commercialized Recombinant Human Insulin and Insulin Glargine under Wosulin and Glargine brand name in India as well as emerging markets. Our end to end capabilities in development and commercialization of antidiabetes biosimilars positions us well to capture value in diabetes biosimilars market.

We have received US FDA approvals for 54 abbreviated new drug applications ("**ANDAs**") and 37 are pending approval as of June 30, 2024. For the years ended March 31, 2022, 2023, 2024, and the three months period ended June 30, 2023 and June 30, 2024, we invested ₹ 301 crores, ₹ 273 crores, ₹ 281 crores, ₹ 71 crores and ₹ 67 crores which contributed to 9%, 10%, 10%, 11% and 9%, respectively, of the total income towards expenditure on research and development.

We have also made significant investments in our manufacturing infrastructure to support the production of various products in our portfolio and regularly update and upgrade our facilities in line with regulatory requirements and in order to continue to drive efficiencies and quality in our business. As on the date of this Preliminary Placement Document, we have 12 manufacturing facilities, nine of which are located in India and one each in the United Kingdom, Ireland and the United Arab Emirates. Our Wockhardt Biotech Park in Chhatrapati Sambhajinagar, India has dedicated units for manufacturing APIs, biosimilars, recombinant formulations and our diabetes portfolio. Our fully automated lyophilisation unit in Chhatrapati Sambhajinagar is able to produce lyophilized injection dosage forms that are used to improve the bioavailability, stability, solubility and patient compliance.

**Key Performance Indicators**

Set forth below are our key performance indicators for the periods indicated:

*(₹ in crores, unless otherwise stated)*

| Particulars | March 31, 2022 | March 31, 2023 | March 31, 2024 | Three months period ended June 30, 2023* | Three months period ended June 30, 2024* |
|---|---|---|---|---|---|
| Revenue from operations | 3,230 | 2,651 | 2,798 | 644 | 739 |
| Net Loss after tax | (279) | (621) | (472) | (136) | (16) |
| Adjusted EBITDA | 318 | 223 | 122** | 30 | 121 |
| PAT Margin (%) | (9%) | (23%) | (17%) | (21%) | (2%) |

[*] *Not annualised.*

[**] *The amount reported as Adjusted EBITDA in Fiscal 2024, is lower due to an impairment loss on asset held for sale of ₹ 79 crores and loss on sale of property, plant and equipment of ₹ 52 crores recognized during the year.*

*(₹ in crores, unless otherwise stated)*

| Particulars | March 31, 2022 | March 31, 2023 | March 31, 2024 |
|---|---|---|---|
| Total equity | 4,202 | 3,662 | 3,662 |
| Total borrowings | 1,862 | 1,887 | 2,112 |
| Cash and cash equivalents | 370 | 90 | 505 |
| Bank balances (other than cash and cash equivalent) | 36 | 34 | 24 |
| Net Debt to Equity Ratio | 0.35 | 0.48 | 0.43 |

For a reconciliation of Adjusted EBITDA, PAT Margin and Net Debt to Equity ratio, please see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Reconciliation of Non-GAAP measures*" on page 116.

**Competitive Strengths**

***Products in therapeutic areas that are growing quickly in India and internationally***

The global pharmaceuticals market has logged a CAGR of ~4% from ~$1,200 billion in 2018 to ~$1,494 billion in 2023 *(CRISIL Report).* However, it is expected to sustain 5-5.5% CAGR over the next five years from 2023 to 2028 to reach ~$1,900 to $1,950 billion by 2028 *(CRISIL Report).* We manufacture and distribute pharmaceutical products across various acute therapeutic areas, such as pain management, cough, nutrition, steroids, anti-infective and acute dermatology, and chronic therapeutic areas, such as diabetes, nephrology, neuropsychiatry, chronic pain and chronic dermatology and have a portfolio of NCE antibiotics that target AMR. Chronic therapies accounted for 39%, 47%, 48%, 48% and 47%, and anti-infectives accounted for 10%, 11%, 10%, 10% and 9%, respectively, of our revenue from operations for the Fiscals 2022, 2023, 2024, and the three months period ended June 30, 2023 and June 30, 2024.

Diabetes is a key chronic target market for us due to the increasing prevalence of chronic diseases globally (*CRISIL Report*). An increase in sedentary lifestyle has heightened the risk of chronic diseases, which is also raising healthcare spending. This is evident primarily in fast-growing economies (*CRISIL Report*). The growth in the biosimilars space is expected to continue in the coming few years. In the anti-diabetic therapy area insulin glargine and insulin lispro are some of the notable and some of the first biosimilars to be launched in the global market (*CRISIL Report*). Global biopharmaceutical drugs worth approximately USD 80 billion to USD 100 billion are going off patent over the next five years globally (*CRISIL Report*), which presents a great opportunity to launch biosimilars in regulated markets for us. As on June 30, 2024, our diabetes biosimilars, human insulin and insulin glargine are registered in more than 30 emerging markets, including Philippines, Malaysia, Thailand, Russia, Mexico, Algeria, Vietnam, Brazil and others. Our diabetes biosimilars have direct presence in around 10 emerging markets including India. Our biosimilars portfolio consists of human insulin and insulin glargine which have been commercialised, as well as new insulin analogs (insulin aspart and insulin lispro) and WCK 9406 (fast acting + long acting combination which is Wockhardt's innovation bio-better), which are currently under development. This positions us well to harness the growing medical needs in this sector.

In India, the overall anti-infective therapy formulations market, estimated at ₹ ~229 billion as of fiscal 2023, is expected to grow at 7.5-9.5% CAGR from Fiscal 2023 to Fiscal 2028 (*CRISIL Report*). Anti-infectives, valued at ~$80-85 billion as of 2023, are expected to grow at a 3.0-3.5% CAGR between 2023 and 2028, supported by increased generic drug penetration, increased R&D on multi-drug resistant micro-organisms, but the low cost to benefit ratio will keep value growth limited. Overall, anti-infective therapy value in generic formulations is expected to reach $100-105 billion by 2028 (*CRISIL Report*). Our antibiotic drug discovery portfolio includes our anti-bacterial NCEs, namely Zaynich (WCK 5222), Miqnaf (Nafithromycin), Foviscu (WCK 4282) and Odrate (WCK 6777), which are currently in various stages of development and testing.

Our Subsidiary, Wockhardt Bio AG, has entered into a supply and collaboration agreement in 2022, with a global vaccine company for a term of 15 years, to undertake fill and finish services for vaccines in the United Kingdom. This is a collaboration for multiple vaccines and the profit sharing arrangement of 51:49, is in favour of Wockhardt Bio AG. Further, Wockhardt Bio AG has reserved capacity of 150 million doses per annum for such collaboration. Under the terms of the collaboration agreement, the global vaccine company is required to supply the drug substance for the vaccines for fill and finish at the Company's facility in Wrexham, North Wales, UK, owned and controlled by our Subsidiary, CP Pharmaceuticals Limited.

Demand for our products and the launch of new pharmaceutical and biotechnology products has also been driven by a number of demographic and macroeconomic factors, such as changes in lifestyles which have led to more chronic diseases, in particular diabetes, cancer and cardiovascular diseases, increased uptake of medicines due to increased per capita income and awareness, the spread and availability of health insurance and population growth. These factors are expected to drive growth in the pharmaceutical industry in India *(CRISIL Report).*

***Diversified product portfolio across multiple therapeutic segments with global footprint***

We currently manufacture and distribute pharmaceutical products across various acute therapeutic areas, including pain management, cough, nutrition, steroids, anti-infective and acute dermatology, and chronic therapeutic areas, including diabetes, nephrology, neuropsychiatry, chronic pain and chronic dermatology, as well as different drug delivery forms, including solids, injectables, biotechnology, liquids, nasal sprays and complex technologies. Our large diversified product portfolio, which covers various therapies and geographies, helps us to realize sales and distribution synergies, as well as help reduce the risks associated with dependence on any particular product or country. Our capabilities also spread across various segments such as branded generics, over the counter drugs, hospitals, antibiotic drug discovery, biotechnology, and pharmaceutical generics.

We have a global footprint across approximately 45 countries as of June 30, 2024, with operations in USA, Europe, UK, Ireland, India, ROW and CIS regions. The following table sets forth a breakdown of our sales in India and international markets, also expressed as a percentage of our revenue from continuing operations for Fiscal 2022, 2023, 2024 and the three months period ended June 30, 2023 and June 30, 2024:

| **Particulars** | **For the year ended March 31,** | | | | | | **For the three months period ended** | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2022** | | **2023** | | **2024** | | **June 30, 2023** | | **June 30, 2024** | |
| | **In crores** | **%** | **In crores** | **%** | **In crores** | **%** | **In crores** | **%** | **In crores** | **%** |
| ***Markets*** | | | | | | | | | | |
| United States of America | 342 | 11 | 303 | 11 | 147 | 5 | 48 | 7 | 27 | 4 |
| Europe | 1,615 | 50 | 1,184 | 45 | 1,416 | 51 | 321 | 50 | 361 | 49 |
| United Kingdom | 1,342 | 41 | 887 | 34 | 1,041 | 38 | 247 | 38 | 276 | 38 |
| Ireland | 153 | 5 | 158 | 6 | 179 | 6 | 45 | 7 | 45 | 6 |
| Others | 120 | 4 | 139 | 5 | 196 | 7 | 29 | 5 | 40 | 5 |
| RoW and CIS region | 612 | 19 | 555 | 21 | 632 | 23 | 124 | 19 | 191 | 26 |
| **International Business** | **2,569** | **80** | **2,042** | **77** | **2,195** | **78** | **494** | **77** | **579** | **78** |
| **India** | **661** | **20** | **609** | **23** | **603** | **22** | **150** | **23** | **160** | **22** |
| **Total** | **3,230** | **100** | **2,651** | **100** | **2,798** | **100** | **644** | **100** | **739** | **100** |

As part of our global operations, we have entered into various arrangements with foreign partners. For example, under our retail generics business, we have entered into an agreement with Poundland Limited, a variety store chain in the United Kingdom, in relation to the supply of our Ibuprofen tablets. Similarly, under our hospital generics business, pursuant to a supply contract with the National Health Service ("**NHS**"), we supply generic medicines and injectable products to wholesalers. Our Subsidiaries, CP Pharmaceuticals Limited and Wockhardt UK Limited combined have a headcount of over 390 on roll employees as on June 30, 2024.

In the United States of America, we have a broad portfolio of ANDAs for our international generics business and have received US FDA approvals for 54 ANDAs with 37 ANDAs pending; and over 788 marketing authorizations worldwide as of June 30, 2024. Our filings in the United States of America focus on injectables and value-added generics, such as novel drug delivery systems.

***Integrated research and development capabilities that facilitate the drug development process.***

We have leveraged our established capabilities in manufacturing and distribution of pharmaceutical and biotechnology products to build innovative and multi-disciplinary research and development capabilities. Our research and development programme is primarily focused on the areas of pharmaceutical research and biotechnology, as well as novel drug delivery systems and new drug discovery. Our research and development program is also focused on genomics research. Our research and development efforts have resulted in 3,265 patents filed and 842 patents held worldwide as of June 30, 2024. Our sales of Emrok and Emrok O, which are patent-protected products, accounted for 0.9%, 1.1%, 1.2%, 1.2% and 1.3% each of our revenue from operations for Fiscals 2022, 2023, 2024 and for the three months period ended June 30, 2023 and June 30, 2024.

We have over 350 scientists with 63 PhDs and more than 132 associates in the drug discovery team across our two research and development centres (one R&D centre each in India and United Kingdom) and other locations as of June 30, 2024, which is indicative of our integrated research and development capabilities.

With more than 25 years in the industry, our focused commitment to novel antibiotic research has lead to end-to-end discovery and development capabilities. Our research and development activities primarily include developing new products, improving existing products, improving and innovating drug delivery systems and expanding product applications. We have invested significantly to augment our research and development capabilities specifically around major therapies (including antibiotics and diabetes), as well as injectables. Our research and development activities include the development of various dosage forms (such as injectables, oral solids, oral liquids, nasal sprays and topical products) and is supported by strong dedicated teams for analytics, documentation and intellectual property rights. We have incurred ₹ 301 crores, ₹ 273 crores, ₹ 281 crores, ₹71 crores

and ₹ 67 crores in Fiscal 2022, 2023, 2024 and for the three months period ended June 30, 2023 and June 30, 2024 towards expenditure on research and development, which contributed to 9%, 10%, 10%, 11% and 9% of the total income.

Further, six of our NCE programs (novel antibiotics) have been granted the QIDP status by the US FDA which provided for fast track clinical development process and priority review, coupled with a 5 year extension to market exclusivity in the United States (*CRISIL Report*). We also have API development team focused on developing and filing our Drug Master Files ("**DMFs**") with the US FDA and regulators in other markets.

We are focused on anti-diabetes biosimilars (Insulin & Insulin analogs) with extensive R&D infrastructure of around 100 scientists including 14 PhDs. We also have inhouse product development capabilities from clone to vial manufacturing across 3 expression systems: Yeast, Bacteria and Mammalian. Our inhouse analytical development capability and bio-assay capability (structural characterization to establish biosimilarity) along with our Clinical Pharmacokinetics & Biopharmaceutics (CPB) unit offers substantial cost advantage.

***Accredited manufacturing facilities with a research and development-focused approach***

We have made substantial investments in our manufacturing infrastructure to support our product portfolio needs. As on the date of this Preliminary Placement Document, we have 12 manufacturing facilities, nine of which are located in India and one each in the United Kingdom, Ireland and the United Arab Emirates, all of which have been built to comply with UK MHRA and EMEA standards, as applicable. Our Wockhardt Biotech Park in Chhatrapati Sambhajinagar, India has dedicated manufacturing units for APIs, biosimilars, our diabetes portfolio as well as recombinant formulations. Our fully automated lyophilisation unit in Chhatrapati Sambhajinagar is able to produce lyophilized injection dosage forms that are used to improve the bioavailability, stability, solubility and patient compliance.

We have invested in the technology at our manufacturing facilitates with the aim of ensuring compliance with regulatory requirements in India, the United States of America, United Kingdom and Europe and all other countries where we market our products; and intend to continue to invest and upgrade our facilities as our business grows and technologies evolve. Our Indian manufacturing facilities in Waluj, Shendra, Bhimpore, Kadaiya and Ankleshwar are compliant with GMP manufacturing standards across multiple jurisdictions. We also maintain a UK-MHRA approved manufacturing facility in Wrexham, Wales.

Our biosimilar facilities includes drug substance manufacturing facility (with 4 blocks) located at Waluj, Chhatrapati Sambhajinagar which is capable of manufacturing different expression system using E.coli. (bacteria), Mammalian, Yeast. We also have 3 drug product facilities for biosimilars (2 in India, 1 in UK) to handle various dosage forms cartridges, vials, pre-filled syringes, pen assembly. These biotechnology facilities have been accredited by various regulatory authorities, including WHO GMP issued by CDSCO, India, ANVISA (Brazil), Invima (Colombia), FDA (Phillipines), MOH (Thailand), NDA (Uganda), TMMDA (Turkey) and MOH (Namibia).

We believe that our in-house manufacturing capabilities, which adopt uniform manufacturing standards to achieve standardized product quality, provide us with a competitive advantage by helping us maintain quality control, mitigate the demand-supply fluctuations that routinely affect generics markets and ensure consistency and reliability of supply. In December 2021, our Company was selected under the pharmaceuticals category of the Production Linked Incentive ("**PLI**") Scheme of the Government of India and will be granted incentives amounting to a maximum of ₹ 250 crores towards strengthening our manufacturing capabilities. We continue to improve and assess our research and development programmes to increase efficiency and enhance economies of scale in order to further reduce costs.

***We are led by a qualified and experienced management team.***

We are led by a qualified and experienced management team with the vision and expertise to help manage and grow our business. In particular, our management team is led by our Founder and Executive Chairman, Habil Fakhruddin Khorakiwala, through whose leadership we have established ourselves as a key research-based global pharmaceutical companies based in India. He has served as the president of the Federation of Indian Chambers of Commerce and Industry ("**FICCI**") and as president of the Indian Pharmaceutical Alliance. He was also the chairman of the board of governors at the Centre for Organisation Development in Hyderabad and the chancellor of the Jamia Hamdard University, New Delhi. We also have a qualified strong senior management team that has significant experience in all aspects of our business. Our Managing Director, Murtaza Habil Khorakiwala was the president of the International Chamber of Commerce, India and our Whole-time Director, Huzaifa Habil Khorakiwala is the founder of the World Peacekeepers Movement. We have also been able to attract and retain senior management from top tier organizations. For instance, our Independent Director, Akhilesh Krishna Gupta was the chairman of Blackstone India. Over the past year, our management and operations in our domestic and international businesses have been spearheaded by a renewed form of leadership, with senior and experienced executives joining our Company. We believe that the knowledge and experience of our senior management in healthcare and business provides us with a strong platform as we seek to expand our business in existing markets and into new markets.

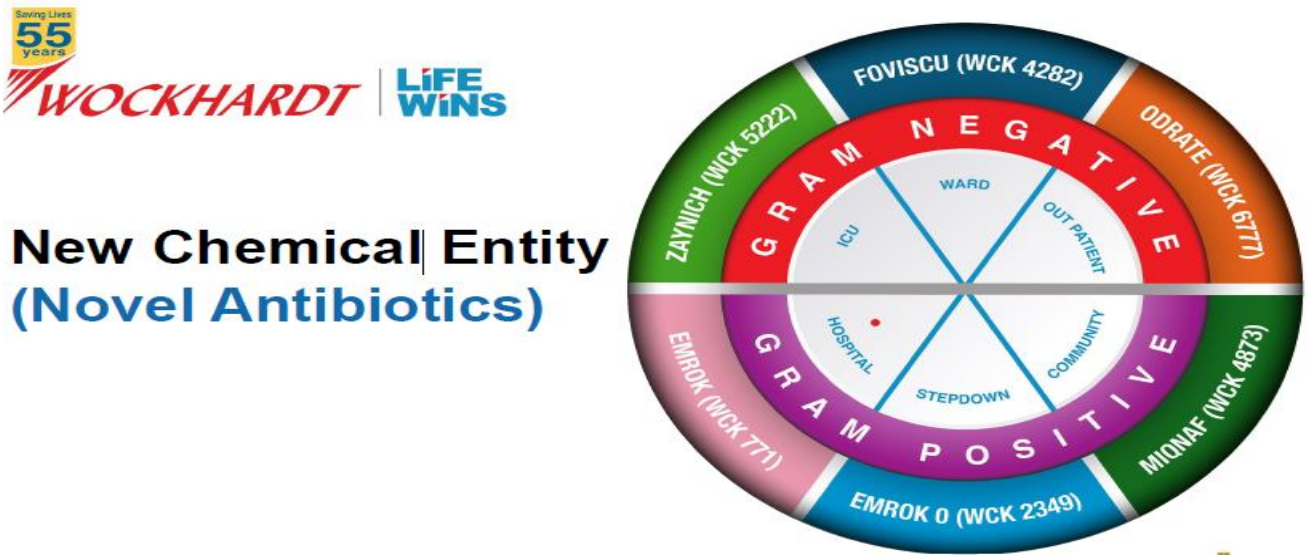
**Strategies**

***Continue to focus our business on the chronic market segment and expand into new chronic therapies.***

Chronic therapies are a growing focus of our business, accounting for 39%, 47%, 48%, 48% and 47% of our revenue from operations in Fiscal 2022, 2023, 2024 and for the three months period ended June 30, 2023 and June 30, 2024, respectively. In particular, we target areas that have recently seen increased demand for chronic therapies, such as diabetes, nephrology, neuropsychiatry, chronic pain and chronic dermatology. In particular, we target areas that have recently seen increased demand for chronic therapies, such as diabetes, nephrology, neuropsychiatry, chronic pain and chronic dermatology. The treatments for these diseases typically involve medicines being prescribed over an extended period of time as opposed to once or for a limited period of time. Further, an increase in sedentary lifestyle has heightened the risk of chronic diseases, which is also raising healthcare spending (*CRISIL Report*). We intend to grow our presence in chronic therapeutic areas by expanding our current product portfolio in a targeted manner. Diabetes is a key chronic target market for us due to the increasing prevalence of diabetes globally. Additionally, based on our presence, we intend to expand into new chronic therapeutic areas. Oncology is the largest therapy under the global formulations outsourcing segment (*CRISIL Report*). With the increased prevalence of cancer across the globe, the share of oncology is estimated to be ~$7.3 billion in 2023 (*CRISIL Report*). Oncology is followed by central nervous system ("**CNS**")-related therapy and cardiology at ~$2.8 billion and $~2.2 billion, respectively (*CRISIL Report*). In 2023, oncology had 22% share of the overall revenue of the global formulations outsourcing market, followed by CNS-related therapies and cardiology at 9% and 7%, respectively (*CRISIL Report*).

***Focus on developing novel antibiotics designed to be effective against serious and life-threatening infections caused by multi-drug resistant bacteria.***

We are developing antibiotic treatments designed to be effective against the most common and serious life-threatening infections, including resistant strains such as MRSA, a leading cause of AMR. According to WHO Global Antimicrobial Resistance and Use Surveillance System (GLASS) Report 2022, AMR is among the top 10 global health threats. Recent studies position AMR as one of the leading causes of death worldwide, with the highest mortality in low resource settings (*CRISIL Report*). We launched two NCEs in India in June 2020, namely the Emrok and Emrok O antibiotics, against the treatment of acute bacterial skin and skin structure infections such as, among others, MRSA, methicillin-susceptible staphylococcus aureus, quinolone-resistant staphylococcus aureus, quinolone-susceptible staphylococcus aureus, streptococcus pyogenes, enterococcus faecalis, streptococcus dysgalactiae and streptococcus agalactiae. We also have four NCEs, namely Zaynich (WCK 5222), Miqnaf (Nafithromycin), Foviscu (WCK 4282) and Odrate (WCK 6777), which are currently in various stages of development and testing. Based on market opportunity, we have also filed for market authorisation/registration for Emrok and Emrok O in some of the emerging markets including, Thailand, Philippines, Vietnam, Kenya, Tanzania, Nigeria and Uganda.




With our current experience in novel antibiotics research, discovery and development capabilities, we believe that we are in a position to leverage to our advantage the need for AMR targeting drugs in the market.

We have also entered into agreements with notable partners similarly engaged in the research and development of novel antibiotics against resistant infections. For instance, our Subsidiary, Wockhardt Bio AG, entered into a development, license and supply agreement with a leading pharmaceutical company in China, to develop Miqnaf (Nafithromycin), which is currently under development. Wockhardt Bio AG has also entered into a development, license and supply agreement with a Russian pharmaceutical company, to develop and market Emrok and Emrok O dosage forms in the Russian Federation.

Set forth below is a snapshot of our novel antibiotics which are currently in pipeline:

**Novel Antibiotics pipeline encompassing all the Resistant Organisms**

| | Gram Negative Portfolio | | | Gram Positive Portfolio | |
|---|---|---|---|---|---|
| | ZAYNICH® (WCK 5222) | FOVISCU® (WCK 4282) | ODRATE® (WCK 6777) | EMROK® / EMROK O® | MIQNAF® (Nafithromycin) |
| **Status** | Global *Phase III* ongoing; Carbapenem resistant pathogen study (India) ongoing | *Phase III ongoing* | *Phase I In collaboration with NIH (US)* | Launched in India; Filed in Emerging Markets | *Phase III* completed NDA filed in India |
| **Potential Indication** | cUTI, HABP / VABP (Global) + Carbapenem Resistant infections (India) | cUTI HABP / VABP | cUTI | ABSSSI | CABP / RTI |
| **Target Market** | Global | Global | Global | Emerging Market | Emerging Market |
| **Positioning** | Destination therapy for difficult-to-treat Gram-ve Klebsiella, Acinetobacter and Pseudomonas | Empiric-use; Carbapenem-sparing Gram-ve | Out-patient therapy for MDR Gram -ve | MDR Gram+ve Anti-MRSA | Macrolide-resistant Respiratory Pathogens, Quinolone-Sparing |

HABP: Hospital Acquired Bacterial Pneumonia; VABP: Ventilator Acquired Bacterial Pneumonia cUTI : Complicated urinary tract infections; CABP: Community-acquired bacterial pneumonia ; RTI: Respiratory Tract Infection; ABSSSI: Acute bacterial skin and skin structure infections; MDR: Multidrug resistance , MRSA: Methicillin-resistant Staphylococcus aureus; Gram –ve: Gram negative; Gram +ve: Gram positive
® Trademark registered in India

***Focus on developing antidiabetes biosimilars for India, Emerging Markets and Developed Markets***

We have commercialized our Recombinant Human Insulin and Insulin Glargine in more than 30 emerging markets including India. They are currently marketed under Wosulin and Glargine trademarks. In India, we employ our own field force of over 650 employees as of June 30, 2024, and in emerging markets we have commercialized the products through our partners. Our end-to-end capabilities provides flexibility for leveraging local regulations, e.g. flexibility to supply drug substance to partner where local manufacturing is given preference.

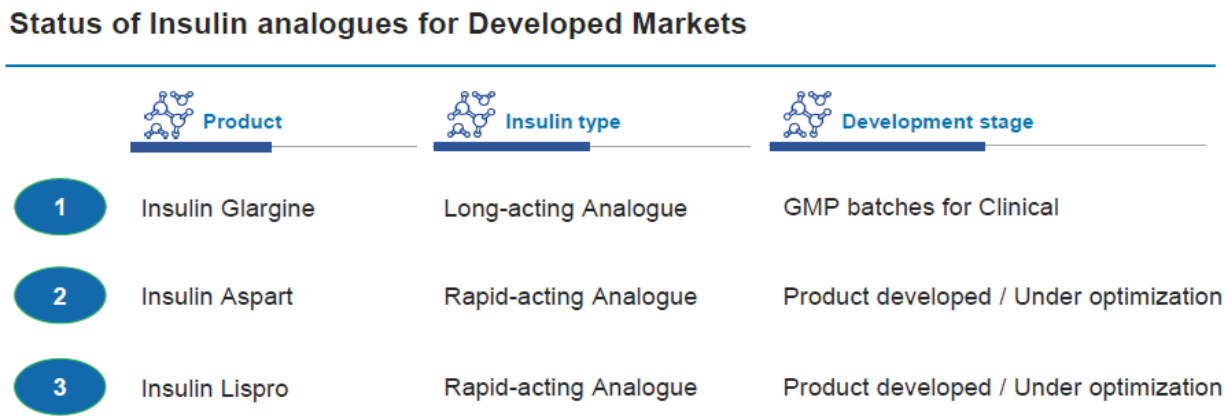
We continue to develop products in the diabetes biosimilar segments and following is a snapshot of our portfolio currently under development for emerging markets as well as developed markets:

**Development status of Insulin analogues in Emerging Markets**

| | Aspart R | Aspart 30/70 | Lispro R | WCK 9406 |
|---|---|---|---|---|
| **Process development** | ✓ | ✓ | ✓ | ✓ |
| **Process Scale Up** | ✓ | ✓ | ✓* | Planned |
| **Drug substance validation batches** | ✓ | ✓ | ✓* | ✓ |
| **Drug product validation batches** | ✓ | Planned | Planned | Planned |
| **PK/PD study** | ✓ | | | |
| **Analytical similarity** | ✓ | | | |

Filed in India

E.Coli host cell as platform technology for all above products
✓ Completed
* To be further scaled up




***Continue to invest in manufacturing and related technological capabilities to meet future demand.***

As on the date of this Preliminary Placement Document, we have 12 manufacturing facilities, nine of which are located in India and one each in the United Kingdom, Ireland and the United Arab Emirates.

We aim to continue investing in manufacturing technologies to build new capabilities to support our current vaccine manufacturing capacity as well as increase the production of our future portfolio of products, primarily in chronic therapeutic areas. For example, we commenced our business for contract manufacturing of vaccines in 2020, and have entered into a long term supply arrangement with a global vaccine company, which provides for a stable visibility of revenue. We will continue to invest in innovative technologies to enhance and grow our manufacturing capabilities.

We will continue to expand and upgrade our manufacturing capabilities to augment our product portfolio.

We expect that our expanded manufacturing capabilities will help us further penetrate our existing markets as well as expand into new markets.

***Increase current geographic market presence and enter new markets.***

As on June 30, 2024, we had approximately 3,995 employees, including approximately 3,018 employees on the payroll of our Company globally and approximately 977 contract employees working off roll with us across locations, either through third party contractors or on consultancy basis. Over 20% of our employees on the payroll of our Company are based outside India. We intend to maintain our strategic emphasis on India, the United States of America, the United Kingdom and Europe, while continuing to pursue growth opportunities in emerging markets and other countries. We plan to grow our business in India, the United States of America, the United Kingdom and Europe by maintaining an appropriate product mix in our portfolio with products which we consider will improve our profitability as well as utilise our capacities more efficiently. Particularly, we intend to expand our antibiotics and diabetes biosimilars portfolio in the United States of America, Europe and in emerging markets. We plan to expand our presence in these markets by increasing our portfolio of product registrations and by increasing our customer and distributor base through marketing arrangements with local distributors and pharmaceutical companies. As on June 30, 2024, our diabetes biosimilars, human insulin and insulin glargine are registered in more than 30 emerging markets, including Philippines, Malaysia, Thailand, Russia, Mexico, Algeria, Vietnam, Brazil and others. Our diabetes biosimilars have direct presence in around 10 emerging markets including India. Our biosimilars portfolio consists of human insulin and insulin glargine which have been commercialised, as well as new insulin analogs (insulin aspart and insulin lispro) and WCK 9406 (fast acting + long acting combination which is Wockhardt's innovation bio-better), which are currently under development. This positions us well to harness the growing medical needs in this sector. Based on market opportunity, we have also filed for market authorisation/registration for Emrok and Emrok O in some of the emerging markets including, Thailand, Philippines, Vietnam, Kenya, Tanzania, Nigeria and Uganda.

With our current experience in novel antibiotics research, discovery and development capabilities, we believe that we are in a position to leverage to our advantage the need for AMR targeting drugs in the market. As we are able to leverage our product portfolio for markets in India, the United States of America, the United Kingdom and Europe across several other markets, we expect to be able to continue to introduce products to these additional markets. To expand our reach to new markets, we are constantly looking for new business partnerships for growth. We will continue to evaluate new product opportunities leveraging the local market knowledge of our partners and initiate the development of products focused on such local market if we identify viable market opportunities and demand.

***Continued focus on cost management***

We aim to maintain our cost management focus through our in-house integrated manufacturing capabilities, across our business to deliver growth as well as to achieve economies of scale. In addition, we aim to achieve supply chain efficiencies through lifecycle management of products, including in-house research and development and manufacture processes. In particular, our quality assurance and quality control team will continue to support the lifecycle management of our products to improve manufacturing efficiencies, such as by shifting manufacturing lines and our internal project team will continue to seek to ensure timely execution of projects in a cost-efficient manner. Realizing these efficiencies will also support our ability to make regulatory filings promptly and consistently. In addition, our products benefit from our ability to integrate backwards to manufacture our own APIs, providing us with security and cost advantages in our supply chain. We intend to leverage the backward integration for our APIs in order to gain greater market competitiveness. We also intend to continue to manage our supply chain costs through optimal inventory levels, economic orders and other measures.

**Our Products**

We manufacture and distribute pharmaceutical products across various acute therapeutic areas, such as pain management, cough, nutrition, steroids, anti-infective and acute dermatology, and chronic therapeutic areas, such as diabetes, nephrology, neuropsychiatry, chronic pain and chronic dermatology. Our business strategy is to continue to deepen our market share in chronic therapeutic areas, which accounted for 39%, 47%, 48%, 48% and 47% of our revenue from operations in Fiscal 2022, 2023 and 2024 and the three months period ended June 30, 2023 and June 30, 2024, respectively, compared to acute therapeutic areas, which accounted for 51%, 47%, 46%, 45% and 43% of our revenue from operations in Fiscal 2022, 2023, 2024 and the three months period ended June 30, 2023 and June 30, 2024, respectively, of our revenue from operations during the same periods.

The following table sets forth a breakdown of our revenue from continuing operations, by amount and as a percentage of our revenue from operations, from the sale of products in each of our main therapeutic areas for the periods indicated:

| **Therapeutic Areas** | **For the year ended March 31,** | | | | | | **For the three-months period ended** | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2022** | | **2023** | | **2024** | | **June 30, 2023** | | **June 30, 2024** | |
| | **in crores** | **%** | **in crores** | **%** | **in crores** | **%** | **in crores** | **%** | **in crores** | % |
| Pain/Analgesic | 459 | 14.2 | 553 | 20.8 | 630 | 22.5 | 152 | 23.6 | 154 | 20.8 |
| Anti-infective | 305 | 9.5 | 283 | 10.7 | 277 | 9.9 | 64 | 10.0 | 69 | 9.4 |
| Anti-diabetic | 460 | 14.2 | 466 | 17.6 | 519 | 18.5 | 89 | 13.9 | 147 | 19.8 |
| Respiratory | 149 | 4.6 | 135 | 5.1 | 77 | 2.8 | 24 | 3.7 | 11 | 1.5 |
| Cardiology | 351 | 10.9 | 326 | 12.3 | 376 | 13.4 | 91 | 14.1 | 86 | 11.7 |
| CNS/Neurology | 178 | 5.5 | 169 | 6.4 | 153 | 5.5 | 52 | 8.1 | 39 | 5.3 |
| Gastroenterology | 156 | 4.8 | 162 | 6.1 | 194 | 7.0 | 44 | 6.9 | 51 | 6.8 |
| Vitamins & nutrients | 92 | 2.8 | 81 | 3.1 | 75 | 2.7 | 17 | 2.7 | 18 | 2.5 |
| Dermatology | 44 | 1.4 | 35 | 1.3 | 26 | 0.9 | 8 | 1.3 | 11 | 1.6 |
| Hormones / Fertility | 60 | 1.8 | 40 | 1.5 | 58 | 2.1 | 10 | 1.6 | 19 | 2.6 |
| Nephrology | 35 | 1.1 | 23 | 0.9 | 12 | 0.4 | 3 | 0.4 | 3 | 0.4 |
| Endocrinology | 32 | 1.0 | 28 | 1.1 | 32 | 1.1 | 9 | 1.3 | 8 | 1.1 |
| Oncology | 16 | 0.5 | 12 | 0.5 | 14 | 0.5 | 5 | 0.7 | 3 | 0.4 |
| Others | 893 | 27.7 | 338 | 12.6 | 355 | 12.7 | 76 | 11.7 | 120 | 16.1 |
| **Total Reported** | **3,230** | **100.0** | **2,651** | **100.0** | **2,798** | **100.0** | **644** | **100.0** | **739** | **100.0** |

The following table sets forth a breakdown of our revenue from continuing operations, by amount and as a percentage of our revenue from operations, from the sale of our acute and chronic products in different geographies for the periods indicated:

| **Particulars** | **For the year ended March 31,** | | | | | | **For the three months period ended** | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2022** | | **2023** | | **2024** | | **June 30, 2023** | | **June 30, 2024** | |
| | **in crores** | **%** | **in crores** | **%** | **in crores** | **%** | **in crores** | **%** | **in crores** | **%** |
| USA | | | | | | | | | | |
| Acute therapeutic business | 202 | 57.4 | 221 | 69.9 | 106 | 59.2 | 17 | 37.7 | 16 | 54.8 |
| Chronic therapeutic business | 150 | 42.6 | 95 | 30.1 | 73 | 40.8 | 28 | 62.3 | 13 | 45.2 |
| Sub total | 352 | 100.0 | 316 | 100.0 | 179 | 100.0 | 45 | 100.0 | 29 | 100.0 |
| United Kingdom | | | | | | | | | | |
| Acute therapeutic business | 917 | 68.0 | 489 | 54.9 | 538 | 53.0 | 119 | 50.0 | 148 | 58.2 |
| Chronic therapeutic business | 420 | 31.2 | 413 | 46.4 | 477 | 47.0 | 118 | 50.0 | 106 | 41.8 |
| Others | 11 | 0.8 | (12) | (1.3) | | | | | | |
| Sub total | 1,348 | 100.0 | 890 | 100.0 | 1,015 | 100.0 | 237 | 100.0 | 254 | 100.0 |
| India & Generics | | | | | | | | | | |

| Particulars | For the year ended March 31, | | | | | | For the three months period ended | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | | June 30, 2023 | | June 30, 2024 | |
| | in crores | % | in crores | % | in crores | % | in crores | % | in crores | % |
| Acute therapeutic business (India branded) | 211 | 39.8 | 216 | 41.9 | 223 | 41.4 | 62 | 46.6 | 72 | 46.7 |
| Chronic therapeutic business (India branded) | 212 | 39.8 | 217 | 42.0 | 178 | 32.9 | 36 | 26.4 | 47 | 30.3 |
| Generics | 78 | 14.7 | 70 | 13.5 | 81 | 15.0 | 24 | 17.5 | 25 | 15.8 |
| Domestic APIs | 30 | 5.7 | 14 | 2.6 | 58 | 10.7 | 13 | 9.5 | 11 | 7.2 |
| Sub total | 531 | 100.0 | 517 | 100.0 | 540 | 100.0 | 135 | 100.0 | 155 | 100.0 |
| Ireland | | | | | | | | | | |
| Acute therapeutic business | 220 | 50.2 | 234 | 49.1 | 315 | 54.8 | 70 | 49.4 | 50 | 38.5 |
| Chronic therapeutic business | 206 | 47.0 | 242 | 50.9 | 260 | 45.2 | 71 | 50.6 | 81 | 61.5 |
| Others | 12 | 2.8 | | | | | | | | |
| Sub total | 438 | 100.0 | 476 | 100.0 | 575 | 100.0 | 141 | 100.0 | 131 | 100.0 |
| Emerging markets | | | | | | | | | | |
| Acute therapeutic business | 94 | 21.8 | 98 | 25.7 | 103 | 22.2 | 24 | 28.9 | 27 | 20.9 |
| Chronic therapeutic business | 283 | 65.9 | 272 | 71.6 | 347 | 75.5 | 54 | 64.7 | 102 | 77.4 |
| Export APIs | 53 | 12.3 | 10 | 2.7 | 11 | 2.3 | 5 | 6.4 | 2 | 1.7 |
| Sub total | 430 | 100.0 | 380 | 100.0 | 461 | 100.0 | 83 | 100.0 | 131 | 100.0 |
| Total (excluding discontinued operations) | | | | | | | | | | |
| Acute therapeutic business | 1,644 | 51.0 | 1257 | 47.4 | 1,284 | 45.9 | 293 | 45.4 | 313 | 42.5 |
| Chronic therapeutic business | 1,272 | 39.4 | 1,240 | 46.8 | 1,336 | 47.7 | 307 | 47.7 | 349 | 47.2 |
| Export APIs | 53 | 1.6 | 10 | 0.4 | 11 | 0.4 | 5 | 0.8 | 2 | 0.3 |
| Domestic APIs | 30 | 0.9 | 14 | 0.5 | 58 | 2.1 | 13 | 2.0 | 11 | 1.5 |
| Generics | 78 | 2.4 | 70 | 2.6 | 81 | 2.9 | 24 | 3.7 | 25 | 3.3 |
| Others | 153 | 4.7 | 60 | 2.3 | 28 | 1.0 | 2 | 0.4 | 39 | 5.2 |
| **Total Reported** | **3,230** | **100.0** | **2,651** | **100.0** | **2,798** | **100.0** | **644** | **100.0** | **739** | **100.0** |

***Pain/Analgesics***

Analgesics are provided to patients to alleviate pain, and the therapies in this product category are broadly classified as anti-rheumatic agents, topical non-steroidal anti-inflammatory pharmaceutical drugs and muscle relaxants. In Fiscal 2022, 2023, 2024, and for the three months period ended June 30, 2023 and June 30, 2024, our sales of pain/ analgesic products accounted for 14.2%, 20.8%, 22.5%, 23.6% and 20.8%, respectively, of our revenue from operations. Our key products in this therapy area include Spasmo Proxyvon, Paracetamol, Spasgan, Codeine, Codamol, Ibuprofen, Methadone, Diamorphine Hydrochloride, Morphine, Remifentanil, Oxycodone and Naproxen.

***Anti-diabetic***

Diabetes is a condition in which the body does not produce enough insulin or the insulin produced is unable to exert its effects. Anti-diabetic therapy is provided to rectify insulin deficiencies or to enable the insulin to exert its effects. The therapies under this category are broadly classified as oral hypoglycemic agents, neutraceuticals, diabetic neuropathy and anti-obesity agents. In Fiscal 2022, 2023, 2024 and for the three months period ended June 30, 2023 and June 30, 2024, our sales of anti-diabetic products accounted for 14.2%, 17.6%, 18.5%, 13.9% and 19.8%, respectively, of our revenue from operations. Our key products in this therapy area include Recombinant Human Insulin and Insulin Glargine marketed under Wosulin, Glaritus, and Valvey trademarks.

***Respiratory***

Respiratory therapy is provided to treat disorders of the respiratory tract and include anti-allergics, anti-asthmatics, antibiotics, antihistamines, bronchodilators and nasal sprays. In Fiscal 2022, 2023 and 2024, and for the three months period ended June 30, 2023 and June 2024, our sales of respiratory products accounted for 4.6%, 5.1%, 2.8%, 3.7% and 1.5%, respectively, of our revenue from operations. Our key products in this therapy area include Promethazine, Fluticasone and Montewok.

***Cardiology***

Cardiology therapy is provided as a means to control or prevent certain forms of ailments relating to the heart and blood vessels. The therapies in this category are broadly classified as anti-hypertensives, lipid lowering agents, anti-platelets, anti-coagulants, anti-anginals and such other therapies. In Fiscal 2022, 2023 and 2024, and for the three months period ended June 30, 2023 and June 2024, our sales of cardiology products accounted for 10.9%, 12.3%, 13.4%, 14.1% and 11.7%, respectively, of our revenue from operations. Our key products in this therapy area include Heparin, Hyalase, Enalapril, Atorvastatin, Multiparin, Monoparin, Ephedrine, Metoprolol and Adenosine.

***Vitamins & Nutrients***

In Fiscal 2022, 2023 and 2024 and for the three months period ended June 30, 2023 and June 2024, our sales of vitamin and nutrient products accounted for 2.8%, 3.1%, 2.7%, 2.7% and 2.5%, respectively, of our revenue from operations. Our key products in this therapy area include Pyridoxine, Methycobal, Trineurosol and Ferrous Sulphate.

***Anti-infective***

Anti-infective therapy is provided to fight against infection caused by micro-organisms such as bacteria, viruses and parasites. Anti-infectives function by inhibiting the growth of the micro-organism or by killing the micro-organisms. The therapies under this category are broadly classified as anti-bacterials, anti-fungals, anti-protozoans and anti-virals. In Fiscal 2022, 2023 and 2024, and for the three months period ended June 30, 2023 and June 2024, our sales of anti-infective products accounted for 9.5%, 10.7%, 9.9%, 10.0% and 9.4%, respectively, of our revenue from operations. Our key products in this therapy area include Piptaz, Emrok, Trimethoprim, Flucloxacillin, Amoxiclav, Gentamicin, Erythromycin, Oxacillin, Amoxicillin, Ceftriaxone, Flucloxacillin and Magenta.

***CNS/Neurology***

Neurology therapy is used to help relieve symptoms of depression, social anxiety disorder, anxiety disorders, seasonal affective disorder and dysthymia, or mild chronic depression. In Fiscal 2022, 2023 and 2024, and for the three months period ended June 30, 2023 and June 2024, our sales of CNS/neurology products accounted for 5.5%, 6.4%, 5.5%, 8.1% and 5.3%, respectively, of our revenue from operations. Our key products in this therapy area include Buproprion, Sodium Valproate, Amitriptyline, Sulpiride, Sodium Valproate, Divalproex Sodium, Carbamazepine and Doxepin.

***Gastroenterology***

Gastrointestinal therapy is provided to treat ailments relating to the stomach and the intestines (alimentary tract). The therapies in this category are broadly classified as anti-ulcerants, laxatives, prokinetics, hepatobiliary, anti-inflammatory, pre-probiotics and anti-spasmodics. In Fiscal 2022, 2023 and 2024, and for the three months period ended June 30, 2023 and June 2024, our sales of gastroenterology products accounted for 4.8%, 6.1%, 7.0%, 6.9% and 6.8%, respectively, of our revenue from operations. Our key products in this therapy area include Acidex, Esomeprazole, Generlac and Pentowok.

***Others***

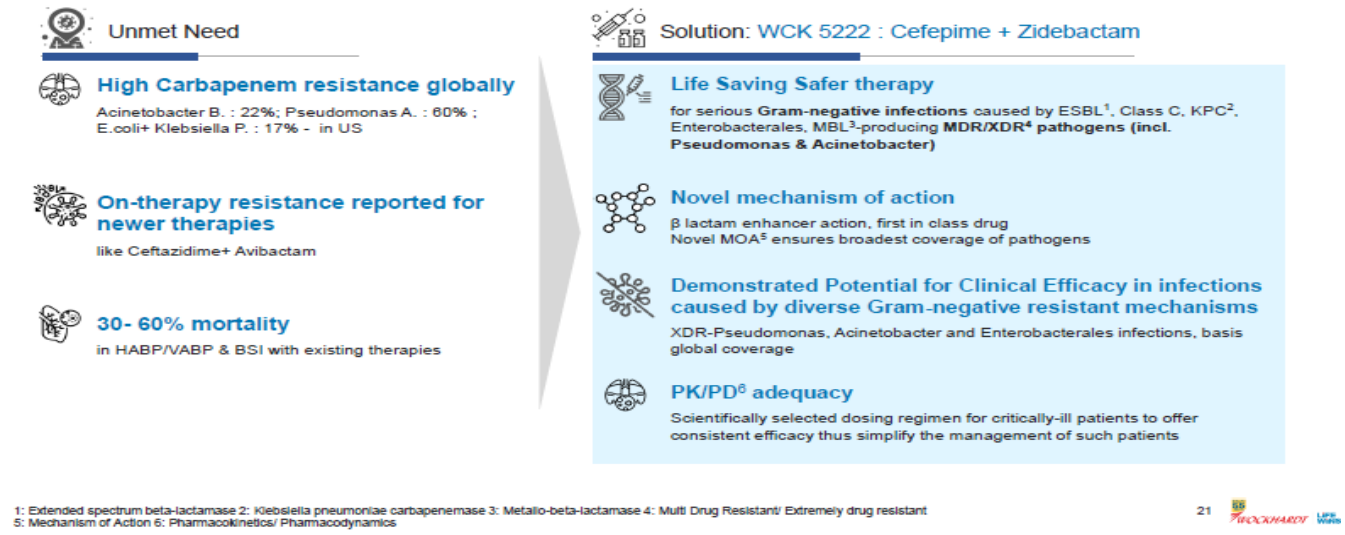
The Company also has presence in the areas of hormones/ fertility, gynaecology, dermatology, nephrology, oncology, endocrinology and Anti-Allergic segment. In Fiscal 2022, 2023 and 2024, and for the three months period ended June 30, 2023 and June 30, 2024, our sales of products in the aforementioned segments accounted for 33.5%, 18%, 17.8%, 17.1% and 22.3%, respectively, of our revenue from operations.

**Novel Antibiotics Pipeline**

***Zaynich (WCK 5222)***

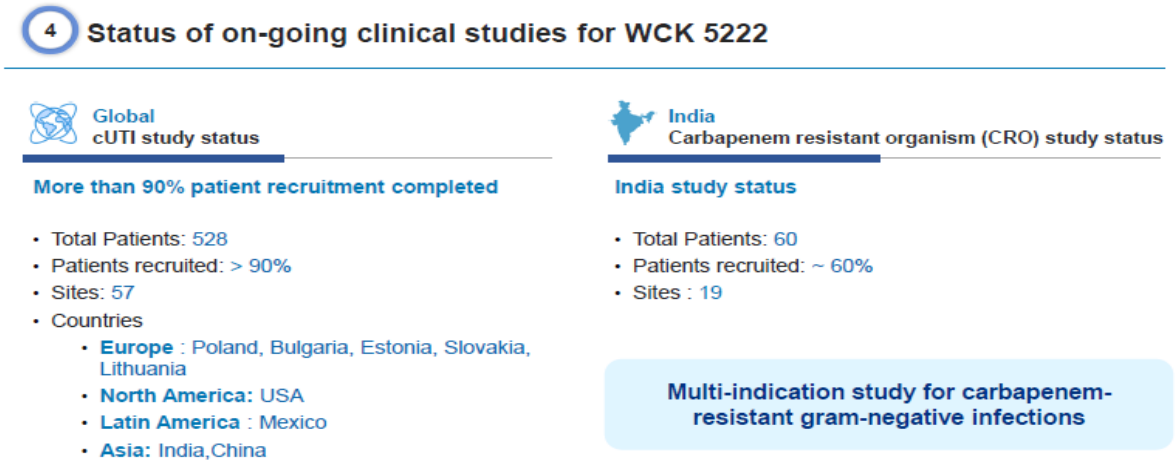
WCK 5222 (Cefepime + zidebactam) is a hospital injectable product and is part of our Gram-negative pathogens targeting the NCE product portfolio. Zaynich targets complicated intra-abdominal infections and blood stream infections and is recommended on a 7-14 days thrice a day treatment regime. It is positioned as a late-stage novel mechanism-based, first-in-class life-saving destination therapy for difficult to treat MDR/XDR Gram-negative infections in an ICU setting like klebsiella pneumonia, acinetobacter baumannii and pseudomonas pathogens with potential indications of complicated urinary tract infections ("**cUTI**"), hospital acquired bacterial pneumonia ("**HABP**")/ ventilator associated bacterial pneumonia ("**VABP**"), globally and any of the infections involving carbapenem resistant pathogens in India.

Currently, carbapenem resistant pseudomonas and acinetobacter (20%-95%) infections are desperately treated with efficacy and safety-compromised colistin/polymyxin/tigecycline. WCK 5222 would provide a safer and consistently efficacious therapy for such life-threatening infections.




Zaynich has been granted QIDP status by the US FDA and makes it eligible for fast track development process and priority review. The QIDP status also grants five year extension to the market exclusivity in the United States. In addition to the above:

- WCK 5222 has completed multiple Phase I studies including Pulmonary PK, renal impairment and cardiovascular safety studies;
- The product is currently under Phase III global clinical trials and more than 90% patient recruitment has been completed across 57 sites in countries spanning Asia, Latin America, Europe & North America;
- Phase III clinical study has been designed based on US FDA accepted development path;
- A clinical trial involving patients with carbapenem-resistant infections is also underway in India with more than 60%;



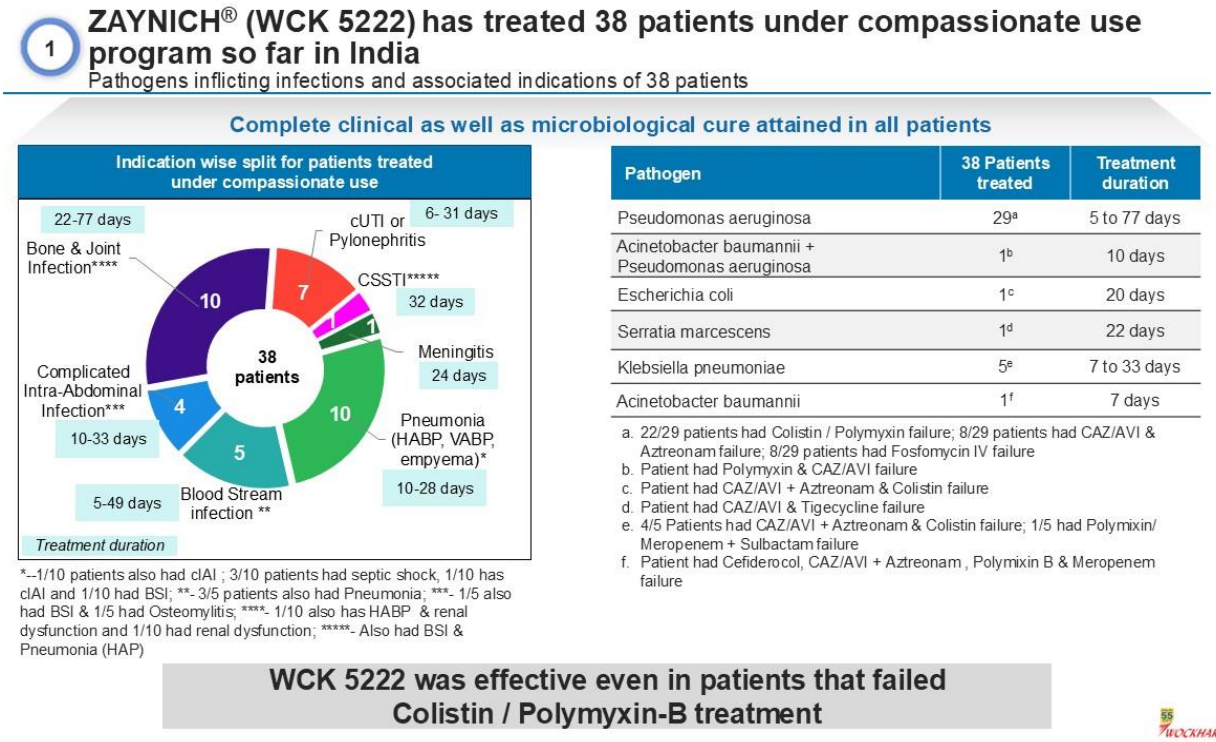

- Compound and composition patents for WCK 5222 have been secured by us in key global markets.
- Key opinion leaders from US, EU and China have published studies in relation to WCK 5222 with the collection of scientific publications including 52 full length peer reviewed publications in international journals by independent opinion leaders, and 50 posters, presentations and oral talks in prestigious conferences.

Compassionate use:

We have received several requests from Indian doctors treating serious bacterial infections for procuring WCK 5222 under compassionate use for patients who have failed multiple available therapies like Meropenem, Piperacillin + Tazobactam, Ceftazidime + Avibactam with Aztreonam, Polymyxin B, Colistin, Tigecycline, and Fosfomycin. We have supplied WCK 5222 to 38 such patients (including paediatric patients) after appropriate and relevant approvals of the DCGI, which is the apex drug regulatory authority in India. These patients suffered from various infections such as from cUTI or pyelonephritis (7 patients), complicated skin and skin structure infections (1 patient), Meningitis (1 patient), Pneumonia -HABP, VABP, empyema (10 patients), Blood stream infections (5 patients), complicated Intra-abdominal infections (4 patients), Bone & Joint infections (10

patients) caused by multi drug resistant pathogens (Pseudomonas aeruginosa, Acinetobacter baumannii, Escherichia coli, Klebsiella pneumoniae and Serratia marcescens), and many had undergone organ transplant or cancer treatment. WCK 5222 was able to achieve 100% clinical and microbiological success in 38 patients with extremely difficult to treat infections, where all the available therapies failed. WCK 5222 was well-tolerated in these patients even when used for longer duration.

The table below provides a summary of life-threatening conditions of the 38 patients, which include failed treatments, drug resistance levels and time taken for WCK 5222 to achieve 100% clinical and microbiological success:




WCK 5222 was also able to achieve complete resolution of infection with improvement in patients' clinical condition, even in cases where treatment duration with WCK 5222 was up to 77 days and where Polymyxin-B / Colistin therapy had already failed.

Compassionate use in US patient:

WCK 5222 was also granted permission to use in a young patient under the US FDA under Expanded Access IND (compassionate use) provision. The patient has multiple sites of infections in large wounds and was not responding to available antibiotic treatment. Post US FDA approval under Expanded Access IND, the patient was initiated treatment with WCK 5222 and the patient was free of infection after 37 days of treatment.

*Assignment of investigational susceptibility breakpoints by Clinical & Laboratory Standards Institute (CLSI, USA*)

Susceptibility breakpoint of 64 µg/mL has been granted by CLSI, USA to WCK 5222 for all three major group of Gram-negative pathogens (Enterobacterales, Pseudomonas aeruginosa and Acinetobacter Baumannii). The MIC breakpoint has been granted to WCK 5222 even before US FDA approval, for coverage of carbapenem-resistant Acinetobacter baumannii (CRAB), carbapenem-resistant Enterobacterales and carbapenem-resistant Pseudomonas aeruginosa.

***Foviscu (WCK 4282)***

As part of our Gram Negative pathogens targeting product portfolio, we have another hospital injectable, Foviscu (WCK 4282). Foviscu (WCK 4282) is targeted towards global markets and is positioned as empiric use Carbapenem sparing therapy for Gram-negative infections. It is currently undergoing the Phase III study.

Potential indications of the products are complicated cUTIs, HABP/ VABP.

***Odrate (WCK 6777)***

Odrate (WCK 6777) is a part of our NCE pipeline targeting the Gram Negative pathogens for the global markets. It is positioned as an out-patient parenteral antibiotic therapy for Multi Drug Resistant Gram negative infections. Currently, the potential

indication of Odrate (WCK 6777) is cUTIs. Odrate (WCK 6777) has completed Phase I which was sponsored by National Institutes of Health ("**NIH**"), USA.

***Emrok and Emrok O***

As part of the multi drug resistant Gram positive pathogen targeting portfolio, we have launched Emrok and Emrok O, belonging to Benzoquinolizine sub-class, in India in 2020. The product is also under registrations in select emerging markets. Emrok and Emrok O is positioned for multi drug resistance Gram positive anti-Methicillin-Resistant Staphylococcus aureus (MRSA) with indication of acute bacterial skin and skin structure infections ("**ABSSSI**") including diabetic foot infections and concurrent bacteraemia.

Emrok and Emrok O have multi-spectrum activity and is the only IV oral and safe antibiotic with rapid bactericidal action. These antibiotics show penetration in MRSA Biofilms associated with bone and joint infections, prosthetic joint infections and catheter-associated infections.

We have undertaken several studies as part of efforts to expand the indications of Emrok and Emrok O. We have also conducted two prescription event monitoring ("**PEM**") studies, post the launch, in 2020 and 2021, to assess the safety and efficacy of Emrok and Emrok O in real-world patients. The study conducted in year 2020, involved 117 pan-India hospital sites and 1,229 patients, while the 2021 study was based on 76 sites and 1,266 patients. Both these studies established safety and efficacy of Emrok and Emrok O in patients with wide range of difficult-to-treat infections such as acute bacterial skin and skin structure infections, CABP, blood stream infection, diabetic foot infections and catheter associate blood stream infections.

***Miqnaf (Nafithromycin)***

Miqnaf (Nafithromycin) is a next generation respiratory tract infection antibiotic targeted at community respiratory pathogens and is being prioritized for the emerging markets. Nafithromycin is currently awaiting approval from DCGI for manufacturing and marketing in India. It is targeted towards Macrolide resistant respiratory pathogens and is a Quinolone sparing product. Nafithromycin is a broad spectrum novel lactone ketolide for CABP and Upper Respiratory Tract Infections ("**URTI**").

The current treatment options in India are impacted by increasing resistance and incomplete pathogen coverage leading to a huge unmet need:

- Azithromycin resistance in S. pneumoniae of ~65% in India; and
- lack of atypical pathogen coverage by Amoxicillin/Clavulanic acid

Miqnaf (Nafithromycin) has broad spectrum of coverage (Gram positive, Gram negative and atypicals) enabling monotherapy. Further it is also effective against Azithromycin resistance strains & multi drug resistant bacteria with 100% coverage based on its high lung concentrations. It offers an ultra-short duration therapy of 3 days with once daily dosing treatment regimen for improved patient compliance.

Nafithromycin has completed Phase I and Phase II in USA & Europe through globally reputed CRO's. It has completed Phase III study in India with 96.77 % of cure rate in CABP and other respiratory infections, with safety profile commensurate with community usage and commercialization is expected in short term.

**Antidiabetes Biosimilar Pipeline**

*We have a comprehensive pipeline of antidiabetes biosimilar for Insulin & Insulin Analogs*

- Glargine 100 IU (for developed markets), Aspart R (global), Lispro R (global), Aspart Mix (India and emerging markets), WCK 9406 (Fast-acting + Long-acting combination) which is Wockhardt's innovation bio-better (India and emerging markets).
- Aspart R has been already filed for approval in India
- Aspart Mix,Lispro R and WCK 9406 are currently under development.

**Development status of Insulin analogues in Emerging Markets**

| | Aspart R | Aspart 30/70 | Lispro R | WCK 9406 |
|---|---|---|---|---|
| Process development | ✓ | ✓ | ✓ | ✓ |
| Process Scale Up | ✓ | ✓ | ✓* | Planned |
| Drug substance validation batches | ✓ | ✓ | ✓* | ✓ |
| Drug product validation batches | ✓ | Planned | Planned | Planned |
| PK/PD study | ✓ | | | |
| Analytical similarity | ✓ | | | |

Filed in India

E.Coli host cell as platform technology for all above products
✓ Completed
* To be further scaled up

**Sales and Distribution**

We market and distribute our products in several countries, either directly through our subsidiaries or indirectly, through supply, distribution and other arrangements with various global companies and local distributors in such countries. We predominantly sell our products to the end customers through distributors or stockists. We identify and assess the suitability of potential distribution partners on the basis of their strengths in the market.

In India, our sales team includes a field force of over 650 employees as of June 30, 2024. Our distribution network in India also includes clearing and forwarding agents, distributors and stockists. We have dedicated marketing teams for specific categories such as pharma, merind, antibiotic discovery, metabolics, key accounts team, diabetes and nephrology that focus on our various acute and chronic therapeutic segments in India.

***Sales and Marketing***

We market our products in India and over approximately 45 countries internationally as on June 30, 2024. Our ability to market and sell our products is contingent upon us receiving marketing authorizations, the requirements for which may vary across jurisdictions. In Fiscal year 2022, 2023 and 2024 and for the three months period ended June 30, 2023 and June 30, 2024, our sales from international markets amounted to ₹2,569 crores, ₹2,042 crores, ₹2,195 crores, ₹494 crores and ₹579 crores, respectively, and 79.5%, 77.0%, 78.4%, 76.7% and 78.3%, respectively, in terms of our revenue from operations.

*United States of America*

We market our products in the United States of America through our Subsidiary Wockhardt USA LLC. All these products are sourced through contract manufacturing sites. As of June 30, 2024, we have 91 product dossiers in the United States of America of which 54 have been approved and 37 are pending for approval. In Fiscal year 2022, 2023 and 2024, and for the three months period ended June 30, 2023 and June 30, 2024, our business in the United States of America accounted for 10.6%, 11.4%, 5.3%, 7.5% and 3.6%, respectively of our revenue from operations.

*United Kingdom*

We manufacture and market our products in the United Kingdom through our subsidiaries, CP Pharmaceuticals Limited and Wockhardt UK Limited. CP Pharmaceuticals Limited maintains a UK MHRA-approved manufacturing facility at Wrexham, Wales for the manufacturing and import of medicinal products such as lyophilisates and small volume liquids. As of June 30, 2024, we have 291 product dossiers/ marketing authorizations in the United Kingdom. In Fiscal year 2022, 2023 and 2024 and for the three months period ended June 30, 2023 and June 30, 2024, our business in the United Kingdom accounted for 41.5%, 33.5%, 37.2%, 38.4% and 37.3%, respectively of our revenue from operations.

*Ireland*

We manufacture and market our products in Ireland through our subsidiary Pinewood Laboratories Limited, which maintains EU GMP compliant manufacturing facilities for products such as oral liquids, creams, ointments, gels and powders. As of June 30, 2024, we have 254 product dossiers/ marketing authorizations by Pinewood Laboratories Limited, of which 241 have been registered/ approved across jurisdictions.

*Emerging Markets*

We also have marketing capabilities in emerging markets in Southeast Asia, East Asia, Africa, the CIS region and Latin America countries. We have established a manufacturing facility in South Dubai, United Arab Emirates through our subsidiary, Wockhardt Bio AG; where manufacturing operations are yet to commence. In Fiscal year 2022, 2023 and 2024 and for the three months period ended June 30, 2023 and June 30, 2024, our business in the RoW markets and the CIS region accounted for 18.9%, 20.9%, 22.6%, 19.3% and 25.9%, respectively of our revenue from operations.

**RESEARCH AND DEVELOPMENT**

We have leveraged our established capabilities in manufacturing and distribution of pharmaceutical and biotechnology products to build innovative and multi-disciplinary research and development capabilities. We have two research and development facilities in India and the United Kingdom. We have over 350 scientists with 63 PhDs and more than 132 associates in the drug discovery team across our two research and development centres (one R&D centre each in India and United Kingdom) and other locations as of June 30, 2024.

Our research and development facility at Wockhardt Research Centre, Chikalthana, India has been accredited with the ISO 15189:2012 certification by the National Accreditation Board for Testing and Calibration Laboratories for its medical testing. In Fiscal 2022, 2023 and 2024 and for the three months period ended June 30, 2023 and June 30, 2024, we invested ₹ 301 crores, ₹ 273 crores, ₹ 281 crores, ₹ 71 crores and ₹ 67 crores, respectively, towards expenditure on research and development, amounting to 9%, 10%, 10%, 11% and 9%, respectively, of the total income.

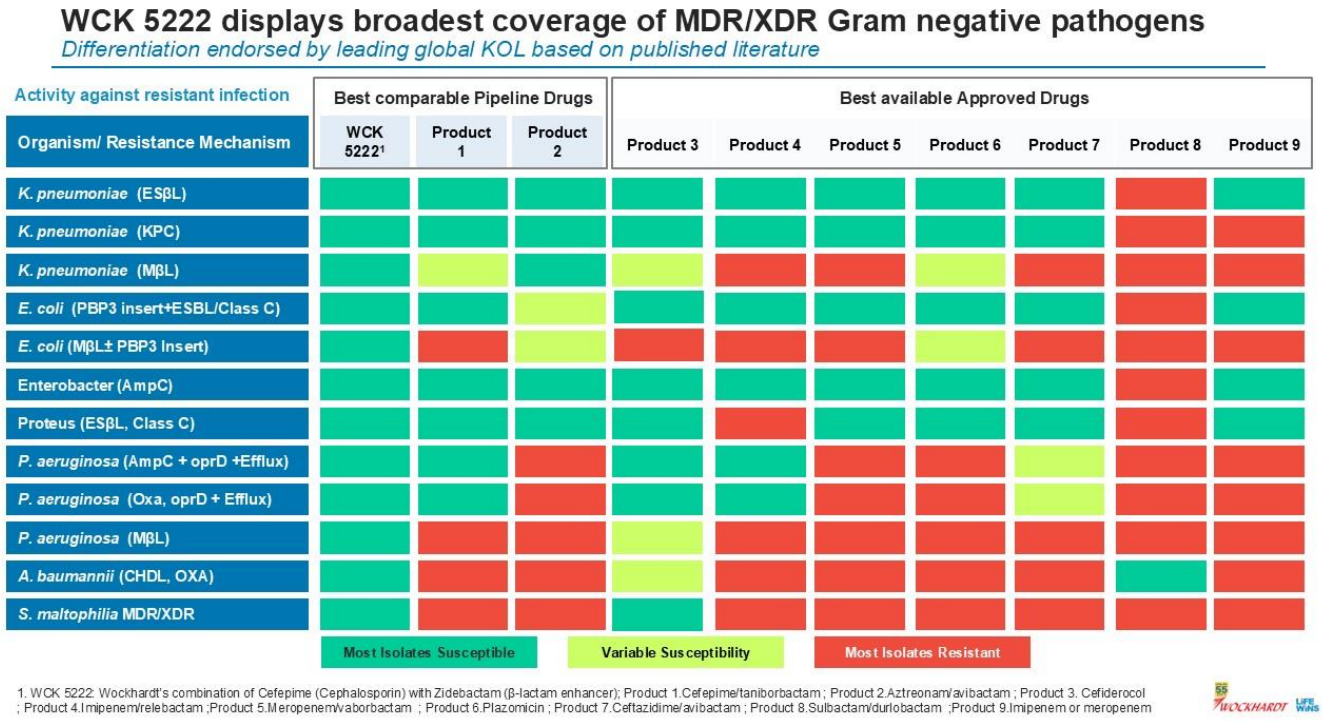
Our research and development programme is primarily focused on the areas of pharmaceutical research, biotechnology and genomics research, as well as novel drug delivery systems and new drug discovery. Research and development activities are key to the development of new molecules and NCEs *(CRISIL Report),* and a key focus of our research and development has been our novel antibiotics programme. We launched two NCEs in India in June 2020, namely the Emrok and Emrok O antibiotics, against the treatment of acute bacterial skin and skin structure infections such as, among others, MRSA which is a leading cause of AMR, methicillin-susceptible staphylococcus aureus, quinolone-resistant staphylococcus aureus, quinolone-susceptible staphylococcus aureus, streptococcus pyogenes, enterococcus faecalis, streptococcus dysgalactiae and streptococcus agalactiae. Additionally, six of our anti-bacterial NCEs, namely, Zaynich (WCK 5222), Miqnaf (Nafithromycin), EMROK (WCK 771), EMROK O (WCK 2349), Foviscu (WCK 4282) and Odrate (WCK 6777) have been granted the Qualified Infectious Disease Product ("**QIDP**") status by the US FDA, which provides for fast track clinical development process and priority review, coupled with a 5 year extension to market exclusivity (*CRISIL Report*). For risks associated with clinical trials of our NCEs, see *"Risk Factors – If we fail to comply fully with government regulations or to maintain continuing regulatory oversight applicable to our research and development activities or regarding the manufacture of our products, or if a regulatory agency amends or withdraws existing approvals to market our products, it may delay or prevent us from developing or manufacturing our products, which could materially adversely affect our business, results of operations, financial condition and cash flows. "* on page 45. We have also received US FDA approvals for 54 ANDAs with 37 ANDAs pending; and 788 marketing authorizations worldwide as of June 30, 2024.

Zaynich (WCK 5222), has displayed the broadest coverage of multi drug resistant ("**MDR**")/ extensive drug resistant ("**XDR**") gram negative pathogens. For risks associated with timely completion of our clinical trials, see *"Risk Factors – If we fail to comply fully with government regulations or to maintain continuing regulatory oversight applicable to our research and development activities or regarding the manufacture of our products, or if a regulatory agency amends or withdraws existing approvals to market our products, it may delay or prevent us from developing or manufacturing our products, which could materially adversely affect our business, results of operations, financial condition and cash flows."* on page 45. The analysis and differentiation of Zaynich (WCK 5222) reproduced below is based on the following:

(i) independent scientific investigations undertaken by international antibiotic researchers, comparing Zaynich's antimicrobial pathogen coverage with several marketed and underdevelopment newer antibiotics;

(ii) published information on FDA granted susceptibility break point (expressed as drug concentration in terms of pg per millilitre or mg per litre) of competing drugs and the extent (percentage) of various pathogen inhibition reported at susceptibility break point for respective competing drugs as accepted by FDA, versus the percentage of pathogen inhibition realized by Zaynich (WCK 5222) at its potential susceptibility break point and also supported by independent investigations from leading investigators. These studies have appeared as publicly available peer reviewed scientific papers in various scientific journals from United States Of America and United Kingdom; and

(iii) WHO's report analyzing novel antibiotics in global development, which sets out the potential of Zaynich (WCK 5222) for the coverage of MDR/XDR gram negative pathogens and also shows that such comprehensive pathogen coverage is not realizable for other novel products.




For risks associated with reliance on the abovementioned data, see *"Risk Factors – Third party data in the Preliminary Placement Document may be incomplete or unreliable"* on page 70. Our research and development capabilities also focus on medicinal chemistry, process scaling, analysis and formulation/NDDS, microbiology, DMPK2, pharmacology and toxicology; as well as gene cloning, bio-informatics, protein modelling and major expression systems**.** Our research and development on APIs focuses on process innovation, process development and process optimization. Our API research wing primarily focuses on the development of processes to manufacture high-value, technologically complex APIs for the treatment of cancer, cardiovascular, psychotic and other human diseases. Our API research includes research and development laboratories for the synthesis of APIs.

We are focused on anti-diabetes biosimilars (Insulin & Insulin analogs) with extensive R&D infrastructure of around 100 scientists including 14 PhDs. Our research and development efforts have resulted in our Company holding 46 patents in biosimilars and 23 patents for pen devices as of June 30, 2024. We also have inhouse product development capabilities from clone to vial manufacturing across 3 expression systems: Yeast, E.coli (Bacteria) and Mammalian, and development of patented delivery devices including disposable and re-usable insulin pens. Our operations are supported by a robust quality control and assurance infrastructure and experienced staff and our drug product and drug substances facilities equipped to handle various dosage forms including, cartridges, vials, prefilled syringes and pen assembly.

Our inhouse analytical development capability and bio-assay capability (structural characterization to establish biosimilarity) along with our Clinical Pharmacokinetics & Biopharmaceutics (CPB) unit offers substantial cost advantage. Our Clinical Pharmacokinetics & Biopharmaceutics (CPB) unit hosts state of the art infrastructure with the clinical facility having 76 beds and the glucose clamp ward 8 special beds. The unit has been validated by various globally recognized regulatory authorities including US FDA, MHRA, UK, CDSCO, India, ANVISA, Brazil and ISO 15189, NABL (pathology lab).

**MANUFACTURING**

As on the date of this Preliminary Placement Document, we have 12 manufacturing facilities, nine of which are located in India and one each in the United Kingdom, Ireland and the United Arab Emirates, and which have been built to comply with UK MHRA and EMEA standards, as applicable. Our Wockhardt Biotech Park in Chhatrapati Sambhajinagar, India, has dedicated manufacturing units for APIs, biosimilars, our diabetes portfolio as well as recombinant formulations. Our fully automated lyophilisation unit in Chhatrapati Sambhajinagar is able to produce lyophilized injection dosage forms that are used to improve the bioavailability, stability, solubility and patient compliance.

Our Indian manufacturing facilities in Waluj, Shendra, Bhimpore, Kadaiya and Ankleshwar are compliant with GMP manufacturing standards across multiple jurisdictions. The management systems of our Wockhardt Biotech Park and our Bhimpore facility are each accredited with the ISO 13485:2016 and EN ISO 13485:2016 certifications for the design, development, manufacture and packaging of assembled reusable injection pen devices. We also maintain a UK-MHRA

approved manufacturing facility in Wrexham, Wales and an EU-GMP compliant manufacturing facility in Ballymacarby, Ireland.

We have made significant investments in our manufacturing infrastructure to support the production of the various products in our portfolio and regularly update and upgrade our facilities in line with the regulatory requirements and in order to continue to drive efficiencies and quality in our business.

Our biosimilar facilities includes Drug substance manufacturing facility (with 4 blocks) located at Waluj, Chhatrapati Sambhajinagar is capable of manufacturing different expression system using E.coli. (bacteria), Mammalian, Yeast. We also have 3 drug product facilities for biosimilars (2 in India, 1 in UK) to handle various dosage forms cartridges, vials, pre-filled syringes, pen assembly. These biotechnology facilities have been accredited by various regulatory authorities, including WHO GMP issued by CDSCO, India, ANVISA (Brazil), Invima (Colombia), FDA (Phillipines), MOH (Thailand), NDA (Uganda), TMMDA (Turkey) and MOH (Namibia).

**RAW MATERIALS INCLUDING PURCHASE OF STOCK IN TRADE**

Our manufacturing processes require various raw materials, including APIs, excipients, colorants, packaging materials (such as primary, printed and other materials) and services from GMP service providers. We purchase these raw materials from a list of sources, which has been approved by our internal quality control department after a quality assurance approval process. In Fiscal 2022, 2023 and 2024 and for the three months period ended June 30, 2023 and June 30, 2024, our expenditures on consumption of raw materials including purchase of stock in trade and changes in inventories of finished goods, work-in-progress and stock in trade change accounted for 39.2%, 41.9%, 41.6%, 43.8% and 42.4% of our revenue from operations, respectively.

Set out below are the details of our revenue from operations for the periods ended March 31, 2022, 2023 and 2024, and the three months ended June 30, 2023 and June 30, 2024, respectively:

*(₹ in crores, unless otherwise stated)*

| Particulars | March 31, 2022 | | March 31, 2023 | | March 31, 2024 | | Three months period ended June 30, 2023* | | Three months period ended June 30, 2024* | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Expenditure | % of expenditure of the revenue from operations | Expenditure | % of expenditure of the revenue from operations | Expenditure | % of expenditure of the revenue from operations | Expenditure | % of expenditure of the revenue from operations | Expenditure | % of expenditure of the revenue from operations |
| Cost of materials consumed | 612 | 18.9 | 518 | 19.5 | 620 | 22.2 | 137 | 21.3 | 150 | 20.3 |
| Purchases of stock in trade | 568 | 17.6 | 509 | 19.2 | 559 | 19.9 | 150 | 23.3 | 153 | 20.7 |
| Changes in inventories of finished goods, work in progress and stock in trade | 87 | 2.7 | 84 | 3.2 | (14) | (0.5) | (5) | (0.8) | 10 | 1.4 |

** Not annualised*

We follow the below procedures prior to approving any vendor:

- ensuring that the raw materials are produced and supplied according to the quality standards specified and that the vendor is able to maintain the same standard of quality for all its supplies in the future;
- conducting a risk assessment in relation to the vendor to reduce the risk with respect to finished product formulation, conducting vendor audits to ensure that regulatory and legal requirements are complied with, and identifying any potential for improvement;
- periodical re-evaluation by the vendors to ensure compliance with all our requirements; and
- entering into a spot buying contract to purchase raw material, obtain it through backward integration with our in-house API division or have such raw material manufactured on a product- to-product basis.

## INTELLECTUAL PROPERTY

We have a dedicated intellectual property team that manages our intellectual property and enables us to file for patents and other intellectual property protections in India and internationally. Our research and development efforts have resulted in 3,265 patents filed and 842 patents held worldwide as of June 30, 2024. In addition, six of our antibiotic products indicated for the treatment of bacterial infection have been granted patent protection as on June 30, 2024.

## COMPETITION

Our products face competition from products commercialized or under development by competitors in all our business segments based in India and overseas. We generally compete with companies based on therapeutic and product categories, and also within each category. Our competitors include Viatris Inc., Biocon, Zydus Cadila, Aurobindo Pharma Limited, Cipla Limited, Dr. Reddy's Laboratories Limited, Lupin Limited, Sun Pharmaceutical Industries Limited and Novatis AG *(CRISIL Report).* In our export markets, we compete with local companies, multinational corporations and companies from other emerging markets.

## QUALITY CONTROL

We believe that quality control is critical to our continued success. Across our manufacturing sites, we have put in place quality management systems that ensure sustainable and consistent quality as well as the safety of our products. We engage in continuous feedback and improvement as part of our quality improvement process. Regular audit programs measure and validate our attempts to deliver consistent quality. These quality audits are regularly updated and reviewed to comply with GMP standards and other regulatory requirements.

Our quality controls are mandated and supported by people at all levels within our Company and we strive to ensure that our people are adequately trained and skilled on an ongoing basis. We have adopted a quality policy, which describes the philosophy, structure and key elements of our quality systems. This is translated into various quality policies and procedures that are implemented at all operational levels to assure product quality.

## INSURANCE

We maintain a wide range of insurance policies including policies for, among other things, crimes on our premises by employees, depositors or during transit, cyber security, business guard commercial against perils such as earthquakes, fires and burglary, industrial all risk insurance which includes insurance against material damage and business interruption, and marine insurance. We have public and product liability insurance coverage for our products. We also have a money insurance policy in respect of money in safe and our Directors are insured under our directors' and officers' liability insurance policy.

## ENVIRONMENTAL MATTERS

We are subject to significant Indian national and state environmental laws and regulations, including regulations relating to the prevention and control of water pollution and air pollution, environment protection, hazardous waste management and noise pollution. These regulations govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from our operations. The costs associated with compliance with these environmental laws, regulations and guidelines may be substantial and, although we believe that we are in compliance with all applicable environmental standards, we may discover currently unknown environmental problems or conditions.

## EMPLOYEES

As on June 30, 2024, we had approximately 3,995 employees, including approximately 3,018 employees on the payroll of our Company globally and approximately 977 contract employees working off roll with us across locations, either through third party contractors or on consultancy basis. Over 20% of our employees on the payroll of our Company are based outside India. We have over 350 scientists with 63 PhDs and more than 132 associates in the drug discovery team across our two research and development centres (one R&D centre each in India and United Kingdom) and other locations as of June 30, 2024. Our sales team in India includes a field force of over 650 employees as on June 30, 2024.

## PROPERTIES

Our Registered Office is located at Wockhardt Research Centre, D-4, MIDC, Chikalthana, Chhatrapati Sambhajinagar 431 006, Maharashtra, India, on a leasehold basis from MIDC for a term of 95 years from March 1, 1974. Our Corporate Office is located at Wockhardt Tower, Bandra Kurla Complex, Bandra (East), Mumbai, Maharashtra, pursuant to a leave and license agreement between our Company and Carol Info Services Limited for a term of five years until March 31, 2027.

Our properties serve as locations for our offices, manufacturing facilities and research and development centres. As on the date of this Preliminary Placement Document, we have 12 manufacturing facilities, nine of which are located in India and one each

in the United Kingdom, Ireland and the United Arab Emirates. Out of the 12 manufacturing facilities, 8 facilities are located on leased premises and 4 facilities are owned by us.

The following table sets out key details of our manufacturing facilities:

| Sr. No. | Facility | Country and location | Area | Owned / leased | Purpose |
|---|---|---|---|---|---|
| 1. | Plot 138- Ankleshwar | India, Ankleshwar, Gujrat | 75,153 Sq.mtrs | Leased | Manufacturing Facility |
| 2. | Bhimpore, Plot- 87/A | India, Daman | 7,096 Sq.mtrs | Leased | Manufacturing Facility |
| 3. | Kadiya- Plot No- 106/4, 106-5 and 106-7 | India, Daman | 6,530 Sq.mtrs | Owned | Manufacturing Facility |
| 4. | Shendra- Unit-1- Plot- E-1/1 | India, Chhatrapati Sambhajinagar | 31,000 Sq.mtrs | Sub-lease | Manufacturing Facility |
| 5. | Shendra- Unit-2- Plot- 6A | India, Chhatrapati Sambhajinagar | 1,400 Sq.mtrs | Sub-lease | Manufacturing Facility |
| 6. | Shendra- Unit-3- Plot- E-1/2 | India, Chhatrapati Sambhajinagar | 59,000 Sq.mtrs | Sub-lease | Manufacturing Facility |
| 7. | L-1 Chikalthana* | India, Chhatrapati Sambhajinagar | 24,000 Sq.mtrs | Leased | Manufacturing Facility |
| 8. | H-14/2, Waluj | India, Chhatrapati Sambhajinagar | 66,011 Sq.mtrs | Leased | Manufacturing Facility |
| 9. | Jagraon | India, Punjab | 41 acres 3 Kanal and 9 marla. | Owned | Manufacturing Facility |
| 10. | Jebel Ali Free Zone Dubai | Dubai- UAE | 99,64 Sq.mtrs | Leased | Manufacturing Facility |
| 11. | Wrexham | UK | 13.645 acres | Owned | Manufacturing Facility |
| 12. | Ballymacarby | Ireland | 4 acres and 3 roods | Owned | Manufacturing Facility |

* *We have entered into a memorandum of understanding for part premises at L-1 Chikalthana, Chhatrapati Sambhajinagar, Maharashtra, India.*

## BOARD OF DIRECTORS AND SENIOR MANAGEMENT

### Board of Directors

The composition of the Board is governed by the provisions of the Companies Act, 2013, the rules prescribed thereunder, the SEBI Listing Regulations and the Articles. In accordance with the Articles, our Company shall not have less than three Directors and more than 15 Directors. As of the date of this Preliminary Placement Document, our Company has 8 Directors, of which three are Executive Directors, one is Non-Executive Non-Independent Director and four are Non-Executive Independent Directors (including one woman Independent Director).

Pursuant to the provisions of the Companies Act, 2013, at least two-thirds of the total number of Directors, excluding the Independent Directors, are liable to retire by rotation, with one-third of such number retiring at each annual general meeting. A retiring Director is eligible for re-election. Further, pursuant to the Companies Act, 2013, the Independent Directors may be appointed for a maximum of two consecutive terms of up to five consecutive years each and thereafter have a cooling off period of three years prior to re-appointment. Any re-appointment of Independent Directors shall be on the basis of, *inter alia*, the performance evaluation report and approval by the shareholders of our Company, by way of a special resolution.

The following table sets forth details regarding our Board as of the date of this Preliminary Placement Document:

| Name, Address, Occupation, Nationality Term and DIN | Age | Designation |
|---|---|---|
| **Habil Fakhruddin Khorakiwala**[*]<br><br>***Address***: 31-E, Vakil Lane, Casa Khorakiwala, Dr. G Deshmukh Marg, Near Russian Cultural Centre, Pedder Road, Cumballa Hill, Mumbai – 400 026<br><br>***Occupation****:* Industrialist<br><br>***Nationality***: Indian<br><br>***Term****:* For a period of five years with effect from March 1, 2020 and not liable to retire by rotation.<br><br>***Period of Directorship:*** Since July 8, 1999<br><br>***DIN***: 00045608<br><br>***Date of Birth:*** September 22, 1942 | 82 years | Executive Chairman |
| **Huzaifa Habil Khorakiwala**<br><br>***Address***: 31-E, Vakil Lane, Off Pedder Road, Near Russian Cultural Centre, Cumballa Hill, Mumbai – 400 026<br><br>***Occupation****:* Industrialist<br><br>***Nationality***: Indian<br><br>***Term****:* Five years with effect from March 31, 2024 and liable to retire by rotation.<br><br>***Period of Directorship:*** Since June 29, 2009<br><br>***DIN***: 02191870<br><br>***Date of Birth:*** November 4, 1970 | 53 years | Executive Director |
| **Murtaza Habil Khorakiwala**<br><br>***Address***: 31-E, Vakil Lane, Casa Khorakiwala, Dr. G Deshmukh Marg, Off Pedder Road, Cumballa Hill, Mumbai – 400 026<br><br>***Occupation****:* Industrialist<br><br>***Nationality***: Indian | 52 years | Managing Director |

| Name, Address, Occupation, Nationality Term and DIN | Age | Designation |
|---|---|---|
| ***Term:*** Five years with effect from March 31, 2024 and liable to retire by rotation.<br><br>***Period of Directorship:*** Since June 29, 2009<br><br>***DIN***: 00102650<br><br>***Date of Birth:*** September 7, 1972 | | |
| **Zahabiya Habil Khorakiwala**<br><br>***Address***: Flat No. 14-15, Om Ratan Co-op Housing Society, 70/71 Sir Pochkhanwala Road, Worli, Mumbai – 400 025<br><br>***Occupation:*** Business<br><br>***Nationality***: Indian<br><br>***Term:*** Office of Director, liable to retire by rotation<br><br>***Period of Directorship:*** Since October 30, 2017<br><br>***DIN***: 00102689<br><br>***Date of Birth:*** September 16, 1982 | 42 years | Non- Executive Non-Independent Director |
| **Ahmad Javed**<br><br>***Address***: A 601, Lotus Enpar Residency, Shankarrao Naram Path, Lowe Parel, Mumbai – 400013<br><br>***Occupation:*** Consultancy<br><br>***Nationality***: Indian<br><br>***Term:*** For a period of five years with effect from June 28, 2024<br><br>***Period of Directorship:*** Since June 28, 2024<br><br>***DIN***: 08668304<br><br>***Date of Birth:*** January 02, 1956 | 68 years | Independent Director |
| **Vinesh Kumar**<br><br>***Address***: 194 B, Kalpataru Horizon, S.K Ahire Marg, Worli, Mumbai – 400 018<br><br>***Occupation:*** Retired IAS Officer<br><br>***Nationality***: Indian<br><br>***Term:*** For a period of five years with effect from November 10, 2021<br><br>***Period of Directorship:*** Since November 10, 2016<br><br>***DIN***: 00391684<br><br>***Date of Birth:*** December 27, 1958 | 65 years | Independent Director |

| Name, Address, Occupation, Nationality Term and DIN | Age | Designation |
|---|---|---|
| **Akhilesh Krishna Gupta**<br><br>***Address***: South Tower Apartment 4403, The Imperial, B B Nakashe Marg, Tardeo, Mumbai – 400 034<br><br>***Occupation:*** Service<br><br>***Nationality***: Indian<br><br>***Term:*** For a period of five years with effect from August 29, 2020<br><br>***Period of Directorship:*** Since August 29, 2020<br><br>***DIN***: 00359325<br><br>***Date of Birth:*** July 20, 1952 | 72 years | Independent Director |
| **Amelia Fernandes**<br><br>***Address***: 15B Harmony Towers Dr. E Moses Road, Worli Naka, Mumbai, Maharashtra, India – 400 018<br><br>***Occupation:*** Director<br><br>***Nationality***: Indian<br><br>***Term:*** For a period of five years with effect from July 18, 2023<br><br>***Period of Directorship:*** Since July 18, 2023<br><br>***DIN***: 08821072<br><br>***Date of Birth:*** April 14, 1957 | 67 years | Independent Director |

[*] *Pursuant to the board resolution dated May 28, 2024 and shareholder's resolution dated June 28, 2024, Habil Fakhruddin Khorakiwala is re-appointed as Chairman for the term of five years with effect from March 01, 2025.*

**Relationship with other Directors**

Except as disclosed below, none of our Directors are related to each other.

| Director | Relationship |
|---|---|
| Habil Fakhruddin Khorakiwala | Father of Huzaifa Habil Khorakiwala, Murtaza Habil Khorakiwala and Zahabiya Habil Khorakiwala |
| Huzaifa Habil Khorakiwala | Son of Habil Fakhruddin Khorakiwala and brother of Murtaza Habil Khorakiwala and Zahabiya Habil Khorakiwala |
| Murtaza Habil Khorakiwala | Son of Habil Fakhruddin Khorakiwala and brother of Huzaifa Habil Khorakiwala and Zahabiya Habil Khorakiwala |
| Zahabiya Habil Khorakiwala | Daughter of Habil Fakhruddin Khorakiwala and sister of Murtaza Habil Khorakiwala and Huzaifa Habil Khorakiwala |

**Borrowing powers of our Board**

In accordance with the Articles of Association of our Company, our Board of Directors has been empowered to borrow funds in accordance with applicable law. Pursuant to the special resolution dated August 14, 2023, passed by our Shareholders, our Board of Directors is authorized to borrow, for the purpose of the business of the Company, monies in excess of the aggregate of the paid up share capital, free reserves and securities premium to the extent that the maximum amount of monies so borrowed and outstanding shall not exceed ₹ 3,000 crores, at any time. Our borrowing limits may be changed from time to time, subject to approval of the Board and our Shareholders.

**Interests of the Directors**

All the Directors may be deemed to be interested to the extent of their shareholding, remuneration or benefits to which they are entitled to as per their terms of appointment and fees payable to them for attending meetings of our Board or committees thereof,

as well as to the extent of reimbursement of expenses, and the Executive Directors of our Company may be deemed to be interested to the extent of remuneration paid to them for services rendered and to the extent of the Equity Shares held by them directly or indirectly in our Company or stock options granted to them, if any, and any dividend payable to them and other distributions in respect of such Equity Shares.

Except for Habil Fakhruddin Khorakiwala, Huzaifa Habil Khorakiwala, Murtaza Habil Khorakiwala, and Zahabiya Habil Khorakiwala, none of our Directors have any interest in the promotion or formation of our Company.

Further, none of our Directors are interested in any property acquired or proposed to be acquired by our Company.

All of the Directors may also be regarded as interested in any Equity Shares held by them and to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them. All Directors may also be regarded as interested in the Equity Shares held by, or subscribed by and allotted to, the companies, firms, HUFs, and trusts, in which they are interested as directors, members, partners, karta, trustees, etc.

Except as stated and provided in "***Related Party Transactions***" on page 44, our Company has not entered into any contract, agreement or arrangement during the three Fiscals immediately preceding the date of this Preliminary Placement Document, in which any of the Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them.

Other than as disclosed in this Preliminary Placement Document, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which the Directors are interested.

**Shareholding of Directors**

As per our Articles, our Directors are not required to hold any qualification shares.

Except as disclosed below, none of our Directors hold Equity Shares in our Company as of the date of this Preliminary Placement Document:

| Sr. No. | Name of the Director | Designation | Number of Equity Shares | Percentage (%) shareholding |
|---|---|---|---|---|
| 1. | Habil Fakhruddin Khorakiwala | Executive Chairman | 5,97,286 | 0.39 |
| 2. | Huzaifa Habil Khorakiwala | Executive Director | 2,80,800 | 0.18 |
| 3. | Murtaza Habil Khorakiwala | Managing Director | 2,94,060 | 0.19 |
| 4. | Amelia Fernandes | Independent Director | 100 | Negligible |
| 5. | Ahmad Javed | Independent Director | 195 | Negligible |

**Terms of Appointment of Executive Directors**

**Habil Fakhruddin Khorakiwala**

Pursuant to the board resolution dated May 30, 2022 and shareholders' resolution dated August 12, 2022, Habil Fakhruddin Khorakiwala is entitled to the following remuneration and perquisites:

- Basic salary: ₹ 0.24 crore per month for a period commencing from March 1, 2023 to February 28, 2025;

- 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 and allowances shall not exceed in aggregate of ₹ 4.00 crores per annum.

- 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. This item shall not be included in the computation of limits for the remuneration or perquisites or allowances aforesaid.

**Huzaifa Habil Khorakiwala**

Pursuant to the board resolution dated May 26, 2023 and shareholder's resolution dated August 14, 2023, Huzaifa Habil Khorakiwala is entitled to the following remuneration and perquisites:

- Basic salary: ₹ 0.17 crore per month commencing from March 31, 2024 to March 30, 2026;

- 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 crores per annum.

- 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, and 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. This item shall not be included in the computation of limits for the remuneration or perquisites or allowances aforesaid.

**Murtaza Habil Khorakiwala**

Pursuant to the board resolution dated May 26, 2023 and shareholder's resolution dated August 14, 2023, Murtaza Habil Khorakiwala is entitled to the following remuneration and perquisites:

- Basic salary: ₹ 0.17 crore per month commencing from March 31, 2024 to March 30, 2026;

- 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 crores per annum.

- 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, and 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. This item shall not be included in the computation of limits for the remuneration or perquisites or allowances aforesaid.

**Remuneration of the Executive Directors**

The following tables set forth the details of remuneration paid by our Company to the Executive Directors of our Company for Fiscal 2022, Fiscal 2023, Fiscal 2024:

*(in ₹ crore)*

| Sr. No. | Name of the Director | Remuneration for the three months ended June 30, 2024 | Remuneration for Fiscal 2024 | Remuneration for Fiscal 2023 | Remuneration for Fiscal 2022 |
|---|---|---|---|---|---|
| 1. | Habil Fakhruddin Khorakiwala | 0.69 | 3.65 | 2.80 | 2.80 |
| 2. | Huzaifa Habil Khorakiwala | 0.47 | 2.12 | 2.40 | 2.40 |
| 3. | Murtaza Habil Khorakiwala | 0.47 | 2.12 | 2.40 | 2.40 |

**Terms of appointment of the Non-Executive Non-Independent Directors**

Pursuant to the Board resolution dated May 26, 2014, and May 27, 2021, Non-Executive Non-Independent Director, is entitled to receive sitting fees of ₹ 1,00,000 per meeting for attending meetings of the Board, ₹ 1,00,000 per meeting for attending meetings of the Audit Committee, and ₹ 1,00,000 per meeting each for attending meetings of Stakeholders Relationship Committee, Capital Raising Committee and Risk Management Committee of the Board.

**Remuneration of the Non-Executive Non-Independent Directors**

The following table set forth the details of remuneration, in the form of sitting fees, paid by our Company to the Non-Executive Non-Independent Director of our Company for Fiscal 2022, Fiscal 2023, Fiscal 2024:

*(in ₹ crore)*

| Sr. No. | Name of the Director | Remuneration for the three months ended June 30, 2024 | Remuneration for Fiscal 2024 | Remuneration for Fiscal 2023 | Remuneration for Fiscal 2022 |
|---|---|---|---|---|---|
| 1. | Zahabiya Habil Khorakiwala | 0.01 | 0.03 | 0.04 | 0.06 |

**Terms of appointment of the Non-Executive Independent Directors**

Pursuant to the Board resolution dated May 26, 2014, and May 27, 2021, Non-Executive Independent Director, is entitled to receive sitting fees of ₹ 1,00,000 per meeting for attending meetings of the Board, ₹ 1,00,000 per meeting for attending meetings of the Audit Committee, and ₹ 1,00,000 per meeting each for attending meetings of Stakeholders Relationship Committee, Capital Raising Committee and Risk Management Committee of the Board.

**Remuneration of the Non-Executive Independent Directors**

The following tables set forth the details of remuneration, in the form of sitting fees, paid by our Company to the Non-Executive Independent Directors of our Company for Fiscal 2022, Fiscal 2023, Fiscal 2024 and for three months ended June 30, 2024:

*(in ₹ crore)*

| Sr. No. | Name of the Director | Remuneration for the three months ended June 30, 2024 | Remuneration for Fiscal 2024 | Remuneration for Fiscal 2023 | Remuneration for Fiscal 2022 |
|---|---|---|---|---|---|
| 1. | Ahmad Javed* | 0.01 | Nil | Nil | Nil |
| 2. | Amelia Fernandes** | 0.03 | 0.10 | Nil | Nil |
| 3. | Vinesh Kumar Jairath | 0.03 | 0.17 | 0.16 | 0.15 |
| 4. | Akhilesh Gupta | 0.04 | 0.11 | 0.16 | 0.14 |

** Ahmad Javed was appointed on May 28, 2024.*
*** Amelia Fernandes was appointed on July 18, 2023.*

**Prohibition by SEBI or Other Governmental Authorities**

Neither our Company, nor our Directors or Promoters are debarred from accessing capital markets under any order or direction made by SEBI or any other governmental authority.

None of the Directors of the companies with which they are or were associated as promoters, directors or persons in control have been debarred from accessing the capital market under any order or direction passed by SEBI or any other governmental authority.

**Key Managerial Personnel**

The Key Managerial Personnel are permanent employees of our Company. In addition to the Executive Directors, the details of our other Key Managerial Personnel in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as on the date of this Preliminary Placement Document are set forth below:

| Sr. No. | Name | Age | Designation |
|---|---|---|---|
| 1. | Deepak Rajkumar Madnani | 51 years | Chief Financial Officer |
| 2. | Rashmi Dinesh Mamtura | 37 years | Company Secretary and Compliance Officer |

**Members of Senior Management**

The members of Senior Management are permanent employees of our Company. In addition to Deepak Rajkumar Madnani, the Chief Financial Officer of our Company and Rashmi Dinesh Mamtura, the Company Secretary and Compliance Officer of our Company, the details of our members of Senior Management, as on the date of this Preliminary Placement Document are set forth below:

| Sr. No. | Name | Age | Designation |
|---|---|---|---|
| 1. | Mahesh Vithalbhai Patel | 72 years | Chief Scientific Officer-Drug Discovery |
| 2. | Sanjeev Kumar Sharma | 51 years | President - Biologics and Global Quality |
| 3. | Debolina Partap | 57 years | Senior Vice President - Legal |

**Shareholding of Key Managerial Personnel and members of Senior Management**

| Sr. No | Name | Number of Equity Shares | Percentage (%) shareholding |
|---|---|---|---|
| 1. | Habil Fakhruddin Khorakiwala | 5,97,286 | 0.39 |
| 2. | Huzaifa Habil Khorakiwala | 2,80,800 | 0.18 |
| 3. | Murtaza Habil Khorakiwala | 2,94,060 | 0.19 |
| 4. | Deepak Rajkumar Madnani | 13,001 | Negligible |
| 5. | Mahesh Vithalbhai Patel | 58,260 | Negligible |

| | | | |
|---|---|---|---|
| 6. | Sanjeev Kumar Sharma | 15,000 | Negligible |
| 7. | Debolina Partap | 12,570 | Negligible |

**Relationship with other Key Managerial Personnel, members of Senior Management and Directors**

Except as disclosed in "***Relationship with other Directors***" on page 209, none of our Key Managerial Personnel or members of Senior Management are related to any of our Directors, Key Managerial Personnel or members of Senior Management.

**Interests of Key Managerial Personnel and members of Senior Management**

None of our Key Managerial Personnel and members of Senior Management have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them in the ordinary course of business and to the extent of the Equity Shares held by them directly or indirectly in our Company or stock options granted to them, if any, and any dividend payable to them and other distributions in respect of such Equity Shares.

None of our Key Managerial Personnel and members of Senior Management have any interest in any property acquired or proposed to be acquired of our Company or by our Company. For details on interest of our Executive Directors (in their capacity as key managerial personnel), please see "***Interests of the Directors*"** on page 209.

Except as provided in "***Financial Information***" on page 273, and except as disclosed in this Preliminary Placement Document, our Company has not entered into any contract, agreement or arrangement during the three Fiscals immediately preceding the date of this Preliminary Placement Document in which any of the Key Managerial Personnel and members of Senior Management other than the Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements or arrangements which are proposed to be made with them.

**Corporate Governance**

Our Company is in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act, 2013 and the SEBI ICDR Regulations, in respect of corporate governance, including constitution of our Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of our Board's supervisory role from the executive management team and constitution of our Board committees, as required under law.

Our Board has been constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations. Our Board functions either as a full board or through various committees constituted to oversee specific functions. Our Company's executive management provides our Board detailed reports on its performance periodically.

**Committees of our Board of Directors**

Our Board has constituted statutory committees, which function in accordance with the relevant provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

The statutory committees of our Board are: (i) Audit Committee; (ii) Nomination and Remuneration Committee; (iii) Stakeholders' Relationship Committee; (iv) Risk Management Committee; and (v) Corporate Social Responsibility Committee.

The following table sets forth details of members of the aforesaid committees, as on the date of this Preliminary Placement Document:

| Sr. No. | Committee | Name and Designation of Members |
|---|---|---|
| 1. | Audit Committee | i. Akhilesh Gupta (Chairperson);<br>ii. Vinesh Kumar Jairath (Member);<br>iii. Amelia Fernandes (Member); and<br>iv. Ahmad Javed (Member) |
| 2. | Nomination and Remuneration Committee | i. Vinesh Kumar Jairath (Chairmperson);<br>ii. Habil Fakhruddin Khorakiwala (Member);<br>iii. Akhilesh Gupta; and<br>iv. Amelia Fernandes. |
| 3. | Stakeholders Relationship Committee | i. Vinesh Kumar Jairath (Chairperson);<br>iii. Amelia Fernandes (Member);<br>iv. Murtaza Khorakiwala (Member); and<br>v. Ahmad Javed (Member). |
| 4. | Risk Management Committee | i. Habil Fakhruddin Khorakiwala, (Chairman);<br>ii. Akhilesh Gupta (Member); and<br>iii. Murtaza Khorakiwala, (Member). |
| 5. | Corporate Social Responsibility Committee | i. Amelia Fernandes (Chairperson); |

| Sr. No. | Committee | Name and Designation of Members |
|---|---|---|
| | | ii. Habil Fakhruddin Khorakiwala (Member); and<br>iii. Huzaifa Khorakiwala (Member); |

**Other Confirmations**

None of our Directors, Promoters or Key Managerial Personnel or members of Senior Management have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

Neither our Company, nor the Directors or Promoters have ever been identified as Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on Wilful Defaulters and Fraudulent Borrowers issued by the RBI.

None of our Promoters or Directors have been declared as Fugitive Economic Offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

None of the Directors, Promoters, Key Managerial Personnel or members of Senior Management of our Company intend to subscribe to the Issue.

No change in control in our Company will occur consequent to the Issue.

**Policy on disclosures and internal procedure for prevention of insider trading**

SEBI Insider Trading Regulations applies to our Company and our employees and requires our Company to implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and conduct for the prevention of insider trading. Our Company has implemented a code of practices and procedures for fair disclosure of unpublished price sensitive information in accordance with the SEBI Insider Trading Regulations.

**Related Party Transactions**

For details in relation to the related party transactions entered into by our Company during Fiscals 2022, 2023 and 2024, see "***Financial Information***" and "***Related Party Transactions***" beginning on pages 273 and 44, respectively.

## ORGANISATIONAL STRUCTURE OF OUR COMPANY

### Corporate History

Our Company was incorporated as '*Wockhardt Pharmaceuticals Limited*' on July 8, 1999, as a public limited company under the Companies Act, 1956, as amended, pursuant to a certificate of incorporation granted by the RoC. Our Company received the certificate of commencement of business from the RoC on September 1, 1999. Subsequently, pursuant to a board resolution passed on December 3, 1999, and special resolution passed at the meeting of the shareholders held on December 3, 1999, the name of our Company was changed to '*Wockhardt Limited*' and consequently, a fresh certificate of incorporation, dated December 28, 1999, was issued by the RoC.

Our Company's CIN is L24230MH1999PLC120720

The registered of our Company is located at Wockhardt Research Centre, D-4, MIDC, Chikalthana, Chhatrapati Sambhajinagar, Maharashtra, India 431 006.

The corporate office of our Company is located at Wockhardt Towers, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India.

Our Equity Shares are listed on BSE and NSE since February 21, 2000 and February 23, 2000 respectively.

### Organizational Structure

As of the date of this Preliminary Placement Document, we have 28 Subsidiaries. For further details, see "***Definitions and Abbreviations***" and "***Financial Information***" on pages 22 and 273, respectively.

## SHAREHOLDING PATTERN OF OUR COMPANY

**Shareholding pattern of our Company as on September 30, 2024**

The following table sets forth the details regarding the equity shareholding pattern of our Company as on September 30, 2024:

| Category (I) | Category of shareholder (II) | Number of shareholders (III) | Number of fully paid-up Equity Shares held (IV) | Number of Partly paid-up Equity Shares held (V) | Number of shares underlying Depository Receipts (VI) | Total number of shares held (VII) =(IV)+(V) + (VI) | Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | | Number of shares Underlying Outstanding convertible securities (including Warrants) (X) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of Shares pledged or otherwise encumbered (XIII) | | Number of Equity Shares held in dematerialized form (XIV) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Number of Voting Rights | | | Total as a % of (A+B + C) | | | Number (a) | As a % of total Shares held (b) | Number (a) | As a % of total Shares held (b) | |
| | | | | | | | | Class e.g.: Equity Shares | Class e.g.: Others | Total | | | | | | | | |
| (A) | Promoters and Promoter Group | 13 | 7,97,58,848 | 0 | 0 | 7,97,58,848 | 51.99 | 7,97,58,848 | 0 | 7,97,58,848 | 51.99 | 0 | 51.99 | 0 | 0.00 | 2,68,28,250 | 33.64 | 7,97,58,848 |
| (B) | Public | 1,38,129 | 7,36,50,698 | 0 | 0 | 7,36,50,698 | 48.01 | 7,36,50,698 | 0 | 7,36,50,698 | 48.01 | 0 | 48.01 | 0 | 0.00 | NA | NA | 7,32,66,902 |
| (C) | Non-Promoter-Non-Public | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | NA | NA | 0 |
| (C1) | Shares underlying depository receipts | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | NA | NA | 0 |
| (C2) | Shares held by employee trusts | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | NA | NA | 0 |
| | **Total** | **1,38,142** | **15,34,09,546** | **0** | **0** | **15,34,09,546** | **100.00** | **15,34,09,546** | **0** | **15,34,09,546** | **100.00** | **0** | **100.00** | **0** | **0.00** | **2,68,28,250** | **17.49** | **15,30,25,750** |

*Notes:*

1. *It is clarified that due to legal restrictions on holding shares by the actual shareholders i.e. trusts and partnership firms, the trustee companies namely Ananke Trustee Company Private Limited, Callirhoe Trustee Company Private Limited, Pasithee Trustee Company Private Limited and Themisto Trustee Company Private Limited holds shares in Wockhardt Limited on behalf of other entities as follows:*
   a. *The shares appearing under Category "Any Other - Promoters' Trust" are held by trustee companies in the capacity as trustee of the trusts as follows: Name of trustee company (1st holder) - holding shares on behalf of (trusts): i) Ananke Trustee Company Private Limited on behalf of Amalthea Discretionary Trust, ii) Callirhoe Trustee Company Private Limited on behalf of Lysithea Discretionary Trust, iii) Pasithee Trustee Company Private Limited on behalf of HNZ Discretionary Trust, iv) Themisto Trustee Company Private Limited on behalf of Habil Khorakiwala Trust;*
   b. *The shares appearing under Category "Any Other - Partnership Firm" are held by the said Companies in capacity as a trustee of the respective partnership firm as follows: Name of company (1st holder) - holding shares on behalf of (partnership firms): i) Ananke Trustee Company Pvt. Ltd. On behalf of Amalthea Consultants ii) Callirhoe Trustee Company Pvt. Ltd. On behalf of Lysithea Consultants iii) Pasithee Trustee Company Pvt. Ltd. On behalf of HNZ Consultants iv) Themisto Trustee Company Pvt. Ltd. On behalf of Humuza Consultants.*

2. *Ms. Zahabiya Khorakiwala, Dartmour Holdings Private Limited, Palanpur Holdings and Investments Private Limited and Khorakiwala Holdings and Investments Private Limited does not currently hold any equity share in the Company, however, they form part of Promoters and Promoter Group of the Company and are accordingly disclosed with Nil holding in the shareholding pattern. They are also not considered in calculation of total number of shareholders.*

3. *Details of Shares which remain in Unclaimed Escrow Account on account of rejection due to technical error during Right Issue 2022 corporate action: No. of shareholders - 6 and No. of Shares - 247 (considered under the catagory of Bodies Corporate).*

4. *Shares shown in "any other (Directors and their relatives)" are held by Independent Directors of the Company.*

**Statement showing shareholding pattern of our Promoters and Promoter Group**

The following table sets forth the details regarding the equity shareholding pattern of our Promoters and Promoter Group as on September 30, 2024:

| Category | Category & Name of shareholder (I) | Entity type (II) | Number of Shareholders (III) | Number of fully paid-up Equity Shares held (IV) | Number of partly paid-up Equity Shares held (V) | Number of shares underlying Depository Receipts (VI) | Total number of shares held (VII) =(IV)+(V)+ (VI) | Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | | Number of shares Underlying Outstanding convertible securities (including Warrants) (X) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of Shares pledged or otherwise encumbered (XIII) | | Number of Equity Shares held in dematerialized form (XIV) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | Number of Voting Rights | | | Total as a % of (A+B + C) | | | Number (a) | As a % of total Shares held (b) | Number (a) | As a % of total Shares held (b) | |
| | | | | | | | | | Class e.g.: Equity Shares | Class e.g.: Others | Total | | | | | | | | |
| **(1)** | **Indian** | | | | | | | | | | | | | | | | | | |
| (a) | **Individuals** | | 5 | 11,80,051 | 0 | 0 | 11,80,051 | 0.77 | 11,80,051 | 0 | 11,80,051 | 0.77 | 0 | 0.77 | 0 | 0.00 | 0 | 0.00 | 11,80,051 |
| | Habil F Khorakiwala | Promoter | 1 | 5,97,286 | 0 | 0 | 5,97,286 | 0.39 | 59,72,86 | 0 | 5,97,286 | 0.39 | 0 | 0.39 | 0 | 0.00 | 0 | 0.00 | 5,97,286 |
| | Murtaza Habil Khorakiwala | Promoter Group | 1 | 2,94,060 | 0 | 0 | 2,94,060 | 0.19 | 2,94,060 | 0 | 2,94,060 | 0.19 | 0 | 0.19 | 0 | 0.00 | 0 | 0.00 | 2,94,060 |
| | Huzaifa Habil Khorakiwala | Promoter Group | 1 | 2,80,800 | 0 | 0 | 2,80,800 | 0.18 | 2,80,800 | 0 | 2,80,800 | 0.18 | 0 | 0.18 | 0 | 0.00 | 0 | 0.00 | 2,80,800 |
| | Nafisa Habil Khorakiwala | Promoter Group | 1 | 5,565 | 0 | 0 | 5,565 | 0.00 | 5,565 | 0 | 5,565 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 5,565 |
| | Miqdad H Khorakiwala | Promoter Group | 1 | 2,340 | 0 | 0 | 2,340 | 0.00 | 2,340 | 0 | 2,340 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 2,340 |
| | Zahabiya Khorakiwala | Promoter Group | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 |

| Category | Category & Name of shareholder (I) | Entity type (II) | Number of Shareholders (III) | Number of fully paid-up Equity Shares held (IV) | Number of partly paid-up Equity Shares held (V) | Number of shares underlying Depository Receipts (VI) | Total number of shares held (VII) =(IV)+(V)+ (VI) | Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | | Number of shares Underlying Outstanding convertible securities (including Warrants) (X) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of Shares pledged or otherwise encumbered (XIII) | | Number of Equity Shares held in dematerialized form (XIV) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | Number of Voting Rights | | | Total as a % of (A+B+C) | | | Number (a) | As a % of total Shares held (b) | Number (a) | As a % of total Shares held (b) | |
| | | | | | | | | | Class e.g.: Equity Shares | Class e.g.: Others | Total | | | | | | | | |
| (d) | **Any Other (specify)** | | 8 | 7,85,78,797 | 0 | 0 | 7,85,78,797 | 51.22 | 7,85,78,797 | 0 | 7,85,78,797 | 51.22 | 0 | 51.22 | 0 | 0.00 | 2,68,28,250 | 34.14 | 7,85,78,797 |
| (i) | **Promoter Trust** | Promoter Group | 8 | 7,85,78,797 | 0 | 0 | 7,85,78,797 | 51.22 | 7,85,78,797 | 0 | 7,85,78,797 | 51.22 | 0 | 51.22 | 0 | 0.00 | 2,68,28,250 | 34.14 | 7,85,78,797 |
| | **Sub Total (A)(1)** | | **13** | **7,97,58,848** | **0** | **0** | **7,97,58,848** | **51.99** | **7,97,58,848** | **0** | **7,97,58,848** | **51.99** | **0** | **51.99** | **0** | **0.00** | **2,68,28,250** | **33.64** | **7,97,58,848** |
| **(2)** | **Foreign** | | | | | | | | | | | | | | | | | | |
| | **Sub Total (A)(2)** | | **0** | **0** | **0** | **0** | **0** | **0.00** | **0** | **0** | **0** | **0.00** | **0** | **0.00** | **0** | **0.00** | **0** | **0.00** | **0** |
| | **Total Shareholding of Promoter and Promoter Group (A)= (A)(1) + (A)(2)** | | **13** | **7,97,58,848** | **0** | **0** | **7,97,58,848** | **51.99** | **7,97,58,848** | **0** | **7,97,58,848** | **51.99** | **0** | **51.99** | **0** | **0.00** | **2,68,28,250** | **33.64** | **7,97,58,848** |

**Statement showing shareholding pattern of the Public Shareholders**

The following table sets forth the details regarding the equity shareholding pattern of the Public Shareholders as on September 30, 2024:

| Category (I) | Category of shareholder (II) | Number of shareholders (III) | Number of fully paid-up Equity Shares held (IV) | Number of Partly paid-up Equity Shares held (V) | Number of shares underlying Depository Receipts (VI) | Total number of shares held (VII) =(IV)+(V)+ (VI) | Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | | Number of shares Underlying Outstanding convertible securities (including Warrants) (X) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of Shares pledged or otherwise encumbered (XIII) | | Number of Equity Shares held in dematerialized form (XIV) | Sub-categorization of Equity Shares (XV) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Number of Voting Rights | | | Total as a % of (A+B+C) | | | Number (a) | As a % of total Shares held (b) | Number (a) | As a % of total Shares held (b) | | Shareholding (no. of Equity Shares) under | | |
| | | | | | | | | Class e.g.: Equity Shares | Class e.g.: Others | Total | | | | | | | | | Sub-category I | Sub-category II | Sub-category III |
| **1.** | **Institutions (Domestic)** | | | | | | | | | | | | | | | | | | | | |
| (a) | **Mutual Funds/** | 12 | 45,21,457 | 0 | 0 | 45,21,457 | 2.95 | 45,21,457 | 0 | 45,21,457 | 2.95 | 0 | 2.95 | 0 | 0.00 | NA | NA | 45,21,457 | - | - | - |
| (b) | **Alternate Investment Funds** | 9 | 19,45,413 | 0 | 0 | 19,45,413 | 1.27 | 19,45,413 | 0 | 19,45,413 | 1.27 | 0 | 1.27 | 0 | 0.00 | NA | NA | 19,45,413 | - | - | - |
| (c) | **Banks** | 4 | 630 | 0 | 0 | 630 | 0.00 | 630 | 0 | 630 | 0.00 | 0 | 0.00 | 0 | .00 | NA | NA | 130 | - | - | - |
| (d) | **Insurance Companies** | 2 | 1,475 | 0 | 0 | 1,475 | 0.00 | 1,475 | 0 | 1,475 | 0.00 | 0 | 0.00 | 0 | 0.00 | NA | NA | 75 | - | - | - |
| (e) | **NBFCs registered with RBI** | 3 | 4,143 | 0 | 0 | 4,143 | 0.00 | 4,143 | 0 | 4,143 | 0.00 | 0 | 0.00 | 0 | 0.00 | NA | NA | 4,143 | - | - | - |
| | **Sub Total B1** | **30** | **78,02,867** | **0** | **0** | **78,02,867** | **5.09** | **78,02,867** | **0** | **78,02,867** | **5.09** | **0** | **5.09** | **0** | **0.00** | **NA** | **NA** | **78,00,967** | - | - | - |
| **2.** | **Institutions (Foreign)** | | | | | | | | | | | | | | | | | | - | - | - |
| (a) | **Foreign Portfolio Investors Category I** | 98 | 93,38,944 | 0 | 0 | 93,38,944 | 6.09 | 93,38,944 | 0 | 93,38,944 | 6.09 | 0 | 6.09 | 0 | 0.00 | NA | NA | 93,38,944 | - | - | - |
| (b) | **Foreign Portfolio** | 8 | 9,20,694 | 0 | 0 | 9,20,694 | 0.60 | 9,20,694 | 0 | 9,20,694 | 0.60 | 0 | 0.60 | 0 | 0.00 | NA | NA | 9,20,694 | - | - | - |

| Category (I) | Category of shareholder (II) | Number of shareholders (III) | Number of fully paid-up Equity Shares held (IV) | Number of Partly paid-up Equity Shares held (V) | Number of shares underlying Depository Receipts (VI) | Total number of shares held (VII) =(IV)+(V)+(VI) | Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | | Number of shares Underlying Outstanding convertible securities (including Warrants) (X) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of Shares pledged or otherwise encumbered (XIII) | | Number of Equity Shares held in dematerialized form (XIV) | Sub-categorization of Equity Shares (XV) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Number of Voting Rights | | | Total as a % of (A+B+C) | | | Number (a) | As a % of total Shares held (b) | Number (a) | As a % of total Shares held (b) | | Shareholding (no. of Equity Shares) under | | |
| | | | | | | | | Class e.g.: Equity Shares | Class e.g.: Others | Total | | | | | | | | | Sub-category I | Sub-category II | Sub-category III |
| | **Investors Category II** | | | | | | | | | | | | | | | | | | | | |
| (c) | **Any other (specify)** | 5 | 11,400 | 0 | 0 | 11,400 | 0.01 | 11,400 | 0 | 11,400 | 0.01 | 0 | 0.01 | 0 | 0.00 | NA | NA | 10,200 | - | - | - |
| (i) | **Foreign Institutional Investors** | 3 | 1,200 | 0 | 0 | 1,200 | 0.00 | 1,200 | 0 | 1,200 | 0.00 | 0 | 0.00 | 0 | 0.00 | NA | NA | 0 | - | - | - |
| (ii) | **Foreign Bank** | 2 | 10,200 | 0 | 0 | 10,200 | 0.01 | 10,200 | 0 | 10,200 | 0.01 | 0 | 0.01 | 0 | 0.00 | NA | NA | 10,200 | - | - | - |
| | **Sub Total B2** | **1111** | **1,02,71,038** | **0** | **0** | **1,02,71,038** | **6.70** | **1,02,71,038** | **0** | **1,02,71,038** | **6.70** | **0** | **6.70** | **0** | **0.00** | **NA** | **NA** | **1,02,69,838** | - | - | - |
| **3.** | **B3) Central Government/ State Government(s) / President of India** | 1 | 29,540 | 0 | 0 | 29,540 | 0.02 | 29,540 | 0 | 29,540 | 0.02 | 0 | 0.00 | 0 | 0.00 | NA | NA | 29,540 | - | - | - |
| | **Sub Total B3** | 1 | 29540 | 29,540 | 0.02 | 29,540 | 0.02 | 29,540 | 1 | 29540 | 29,540 | 0.02 | 29,540 | 0.02 | 29,540 | 1 | 29540 | 29,540 | - | - | - |
| **4.** | **B4) Non-Institutions** | | | | | | | | | | | | | | | | | | - | - | - |
| (a) | Key managerial personnel | 1 | 11,501 | 0 | 0 | 11,501 | 0.01 | 11,501 | 0 | 11,501 | 0.00 | 0 | 0.01 | 0 | 0.00 | NA | NA | 11,501 | - | - | - |
| (b) | Investor education and protection fund | 1 | 3,08,503 | 0 | 0 | 3,08,503 | 0.20 | 3,08,503 | 0 | 3,08,503 | 0.20 | 0 | 0.20 | 0 | 0.00 | NA | NA | 3,08,503 | - | - | - |

| Category (I) | Category of shareholder (II) | Number of shareholders (III) | Number of fully paid-up Equity Shares held (IV) | Number of Partly paid-up Equity Shares held (V) | Number of shares underlying Depository Receipts (VI) | Total number of shares held (VII) =(IV)+(V)+ (VI) | Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | | Number of shares Underlying Outstanding convertible securities (including Warrants) (X) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of Shares pledged or otherwise encumbered (XIII) | | Number of Equity Shares held in dematerialized form (XIV) | Sub-categorization of Equity Shares (XV) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Number of Voting Rights | | | Total as a % of (A+B+C) | | | Number (a) | As a % of total Shares held (b) | Number (a) | As a % of total Shares held (b) | | Shareholding (no. of Equity Shares) under | | |
| | | | | | | | | Class e.g.: Equity Shares | Class e.g.: Others | Total | | | | | | | | | Sub-category I | Sub-category II | Sub-category III |
| (c) | Resident individual holding nominal share capital up to ₹ 2 lakhs | 1,29,860 | 3,19,13,658 | 0 | 0 | 3,19,13,658 | 20.80 | 3,19,13,658 | 0 | 3,19,13,658 | 20.80 | 0 | 20.80 | 0 | 0.00 | NA | NA | 3,15,38,962 | - | - | - |
| (d) | Resident individual holding nominal share capital in excess of ₹ 2 lakhs | 74 | 1,26,06,761 | 0 | 0 | 1,26,06,761 | 8.22 | 1,26,06,761 | 0 | 1,26,06,76 | 8.22 | 0 | 8.22 | 0 | 0.00 | NA | NA | 1,26,06,761 | - | - | - |
| (e) | Non-resident Indians | 3,259 | 22,01,929 | 0 | 0 | 22,01,929 | 1.44 | 22,01,929 | 0 | 22,01,929 | 1.44 | 0 | 1.4 4 | 0 | 0.00 | NA | NA | 21,97,729 | - | - | - |
| (f) | Bodies Corporate | 1189 | 53,06,538 | 0 | 0 | 53,06,538 | 3.46 | 53,06,538 | 0 | 61,68,406 | 53,06,538 | 0 | 3.46 | 0 | 0.00 | NA | NA | 53,04,738 | - | - | - |
| (g) | Any Other (specify) | 3,603 | 31,98,363 | 0 | 0 | 3,363 | 1.83 | 31,98,363 | 0 | 26,46,245 | 31,98,363 | 0 | 2.08 | 0 | 0.00 | NA | NA | 26,46,245 | - | - | - |
| | | | | | | | | | | | | | | | | | | | | | |
| | **Sub Total B4** | 1,37,987 | 555,47253 | **0** | 36.21 | 5,55,47,253 | 36.21 | 5,55,47,253 | **0** | 5,55,47,253 | **0** | 36.21 | **36.21** | **0** | **0.00** | 5,55,47,253 | **NA** | 5,51,66,557 | - | - | - |
| | **B=B1+B2+B3+B4** | **1,38,129** | **7,36,50,698** | **0** | **0** | **7,36,50,698** | **48.01** | **7,36,50,698** | **0** | **7,36,50,698** | **48.01** | **0** | **48.01** | **0** | **0.00** | **NA** | **NA** | **7,32,66,902** | - | - | - |

**Statement showing shareholding pattern of Non-Promoter-Non-Public Shareholders**

The following table sets forth the details regarding the equity shareholding pattern of Non-Promoter-Non-Public Shareholders as on September 30, 2024:

| Category (I) | Category of shareholder (II) | Number of shareholders (III) | Number of fully paid up Equity Shares held (IV) | Number of Partly paid-up Equity Shares held (V) | Number of shares underlying Depository Receipts (VI) | Total number of shares held (VII) =(IV)+(V) + (VI) | Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | | Number of shares Underlying Outstanding convertible securities (including Warrants) (X) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of Shares pledged or otherwise encumbered (XIII) | | Number of Equity Shares held in dematerialized form (XIV) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Number of Voting Rights | | | Total as a % of (A+B + C) | | | Number (a) | As a % of total Shares held (b) | Number (a) | As a % of total Shares held (b) | |
| | | | | | | | | Class e.g.: Equity Shares | Class e.g.: Others | Total | | | | | | | | |
| 1 | **Custodian/ DR Holder** | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | NA | NA | 0 |
| 2 | **Employee Benefit Trust** | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 | 0 | 0.00 | NA | NA | 0 |
| | **Total Non-Promoter-Non-Public Shareholding (C)= (C)(1) + (C)(2)** | **0** | **0** | **0** | **0** | **0** | **0.00** | **0** | **0** | **0** | **0.00** | **0** | **0.00** | **0** | **0.00** | **NA** | **NA** | **0** |

## ISSUE PROCEDURE

*The following is a summary intended to present a general outline of the procedure relating to the application, payment of Application Amount, Allocation and Allotment of the Equity Shares pursuant to the Issue. The procedure followed in the Issue may differ from the one mentioned below, and Bidders are assumed to have apprised themselves of the same from our Company or the BRLM.*

*Our Company, the BRLM and its directors, officers, agents, advisors, shareholders, employees, counsels, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Bidders are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Bidders are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations and other applicable laws.*

*Bidders are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. Bidders that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the BRLM and its directors, officers, agents, advisors, shareholders, employees, counsels, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the BRLM and its directors, officers, agents, advisors, shareholders, employees, counsels, affiliates, and representatives accept no responsibility or liability for advising any Bidder on whether such Bidder is eligible to acquire the Equity Shares. For further details, please see the sections titled "**Selling Restrictions**" and "**Transfer Restrictions and Purchaser Representations**" on pages 239 and 245, respectively.*

**Qualified Institutions Placement**

**THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBS ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.**

This Preliminary Placement Document has not been, and the Placement Document will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in accordance with Chapter VI of the SEBI ICDR Regulations, Section 42 and Section 62 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules thereunder, to the extent applicable, through the mechanism of a qualified institutions placement. Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, to the extent applicable, our Company, being a listed company in India may issue Equity Shares to Eligible QIBs, provided, inter alia that:

- a special resolution approving the qualified institutions placement has been passed by its shareholders. Such special resolution must specify (i) that the allotment of the securities is proposed to be made pursuant to the qualified institutions placement; and (ii) the relevant date for the qualified institutions placement;

- the explanatory statement to the notice to the shareholders for convening the general meeting must disclose, amongst others, the particulars of the issue including the date of passing the board resolution, the kind of securities being offered, amount which the company intends to raise by way of such securities and the material terms of raising such securities, proposed issue schedule, the purpose or objects of offer, the contribution made by the promoters or directors either as part of the offer or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the equity shares of the same class of such issuer, which are proposed to be allotted through the qualified institutions placement or pursuant to conversion or exchange of eligible securities, are listed on a recognized stock exchange in India that has nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to pass the above-mentioned special resolution, except for Equity Shares allotted during the preceding one year from the date of this Preliminary Placement Document. For details, please see the section titled "***Capital Structure***" on page 90;

- issuance and allotment of Equity Shares shall be done in dematerialised form only;

- invitation to apply in the Issue must be made through a private placement offer-cum-application (i.e., this Preliminary Placement Document) and an Application Form serially numbered and addressed specifically to the Eligible QIBs to

whom the Issue is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law;

- our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue;

- our Company shall have completed allotments with respect to any offer or invitation made by our Company or has withdrawn or abandoned any such invitation or offer, however, our Company may, at any time, make more than one issue of securities to such class of identified persons as may be prescribed;

- our Promoters and Directors are not Fugitive Economic Offenders;

- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum- application (i.e., this Preliminary Placement Document), our Company must prepare and record a list of Eligible QIBs to whom the offer will be made. The offer must be made only to such Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe;

- our Company acknowledges that the offering of securities by issue of public advertisements or utilization of any media, marketing or distribution channels or agents to inform the public about the Issue is prohibited;

- At least 10% of the Equity Shares offered to Eligible QIBs shall be available for Allocation to Mutual Funds, provided that, if this portion or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs; and

- The Issuer shall not issue or allot partly-paid up shares.

Bidders are not allowed to withdraw or revise their Bids downwards after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares offered under this Issue shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class quoted on the stock exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. The "Relevant Date" referred to above means the date of the meeting in which the Board decides to open the Issue and "stock exchange" means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. Further, in accordance with Regulation 176(1) of the SEBI ICDR Regulations and the resolution of our Board on May 28, 2024, and the shareholders of our Company on June 28, 2024, our Company may offer a discount of not more than 5% on the Floor Price.

In accordance with Regulation 172(1)(a) of the SEBI ICDR Regulations, the Equity Shares will be Allotted within 365 days from the date of the shareholders' resolution approving the Issue, being June 28, 2024, and within 60 days from the date of receipt of Bid Amount from the Successful Bidders. For details of refund of Bid Amount, please see section titled **"*Issue Procedure – Refunds*"** on page 235.

The subscription to the Equity Shares offered pursuant to the Issue must be made by Eligible QIBs on the basis of this Preliminary Placement Document and the Placement Document shall contain all material information required under applicable law including the information specified in Schedule VII of SEBI ICDR Regulations and the requirements prescribed under Form PAS-4. This Preliminary Placement Document and the Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an offer to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of this Preliminary Placement Document addressed to you, you may not rely on this Preliminary Placement Document or Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue. Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

This Issue was authorized and approved by our Board of Directors by way of resolution dated May 28, 2024, and by our Shareholders through special resolution on June 28, 2024.

The minimum number of Allottees for each qualified institutions placement shall not be less than:

- two, where the issue size is less than or equal to ₹ 250 crore; and

- five, where the issue size is greater than ₹ 250 crore.

No single Allottee shall be Allotted more than 50% of the Issue Size. Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes "same group" or "common control", see "***Bid Process —Application Form***" on page 230.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange. In addition, purchasers of the Equity Shares Allotted pursuant to the Issue shall comply with the resale restrictions set forth in the sections titled, "***Selling Restrictions***" and "***Transfer Restrictions and Purchaser Representations***" on pages 239 and 245, respectively.

We have applied for, and received, the in-principle approvals of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares on the Stock Exchanges on November 6, 2024. We have filed a copy of this Preliminary Placement Document and will file a copy of the Placement Document with the Stock Exchanges.

We shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules, to the extent applicable.

**Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.**

**The Equity Shares issued pursuant to this Issue have not been and will not be registered, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S and in accordance with the applicable laws of the jurisdictions where those offers and sales are made. For the selling restrictions in certain other jurisdictions, see "*Selling Restrictions*" on page 239. The Equity Shares sold in the Issue are transferable only in accordance with the restrictions set forth under the sections "*Selling Restrictions*" and "*Transfer Restrictions and Purchase Representations*" on pages 239 and 245, respectively.**

**Issue Procedure**

1. On the Issue Opening Date, our Company and the BRLM shall circulate serially numbered copies of this Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to identified Eligible QIBs and the Application Form will be specifically addressed to each such Eligible QIB. In terms of Section 42(3) of the Companies Act, 2013, our Company shall maintain complete records of the Eligible QIBs in the form and manner as prescribed under the PAS Rules, to the extent applicable, to whom the Preliminary Placement Document and the serially numbered Application Form will be dispatched. Our Company will make the requisite filings with the RoC within the stipulated time periods as required under the Companies Act, 2013 and the PAS Rules, if and to the extent applicable. The list of Eligible QIBs to whom the Preliminary Placement Document and Application Form is delivered will be determined by our Company in consultation with the BRLM, at their sole discretion.

2. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Bid Amount is to be deposited, is addressed to a particular Eligible QIB, no invitation to make an offer to subscribe shall be deemed to have been made to such Eligible QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

3. Eligible QIBs may submit the Application Form, including any revisions thereof along with the Bid Amount transferred to the Escrow Account specified in the Application form and a copy of the PAN card or PAN allotment letter (as applicable) and/or any other documents mentioned in the Application Form, during the Issue Period to the BRLM. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Bid Amount is paid along with submission of the Application Form within the Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

4. Bidders will be required to indicate the following in the Application Form:

   - full official name of the Eligible QIB to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN details (if applicable), contact number and bank account details;
   - number of Equity Shares Bid for;
   - price at which they are agreeable to subscribe for the Equity Shares and the aggregate Bid Amount for the number of Equity Shares Bid for;
   - details of the depository / beneficiary account maintained by the Depository Participant to which the Equity Shares should be credited;
   - Equity Shares held by the Eligible QIBs in our Company prior to the Issue; and
   - a representation that it is outside the United States and has agreed to certain other representations set forth in the "***Representations by Investors***" on page 5 and "***Transfer Restrictions and Purchaser Representations***" on page 245 and certain other representations made in the Application Form.

   ***Note****: Eligible FPIs are required to indicate the SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.*

5. Eligible QIBs shall be required to make the entire payment of the Bid Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of "*Wockhardt Ltd - Escrow Account QIP October 2024*" with the Escrow Agent, within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Bid Amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. Bid Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Pending Allotment, and the filing of return of Allotment by our Company with the RoC, or receipt of final listing and trading approvals from the Stock Exchanges, whichever is later, Application Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013. Notwithstanding the above, in the event (a) any Bidder is not Allocated Equity Shares in the Issue, (b) the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, (c) the Application Amount was in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to the Bidder and the Issue Price, or the Application Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but prior to the Issue Closing Date, the excess Application Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "***Issue Procedure – Refunds***" on page 235.

6. Once a duly completed Application Form is submitted by a Bidder and the Bid Amount is transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount shall be required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

7. Upon receipt of the duly completed Application Form and the Bid Amount in the Escrow Account, after the Issue Closing Date, our Company shall, in consultation with the BRLM determine the final terms, including the Issue Price of the Equity Shares to be offered pursuant to the Issue and Allocation. Upon such determination, the BRLM will send the serially numbered CAN to the Eligible QIBs who have been Allocated the Equity Shares. The dispatch of a CAN, and the Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. **Please note that the Allocation will be at the absolute discretion of our Company and will be in consultation with the BRLM.**

8. The Bidder acknowledges that in terms of the requirements of the Companies Act, 2013 upon Allocation, our Company will be required to disclose the names of proposed allottees and the percentage of their post-Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares are allocated to it.

9. Upon determination of the Issue Price and the issuance of CAN and before Allotment of Equity Shares to the Successful Bidders, the BRLM, shall, on our behalf, send a serially numbered Placement Document either in electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

10. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. We will inform the Stock Exchanges of the details of the Allotment.

11. After passing the resolution for Allotment, and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the depository participant, as indicated in their respective Application Form, our Company shall submit relevant documents to the Stock Exchanges in respect of the Equity Shares Allotted pursuant to the Issue.

12. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

13. Our Company shall then apply for the final listing and trading permissions from the Stock Exchanges.

14. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant accounts of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final listing and trading approvals from the Stock Exchanges.

15. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt the receipt of the listing and trading approvals to those Successful Bidders to whom the Equity Shares have been Allotted. Our Company and the BRLM shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

16. A representation that it is outside the United States and is acquiring the Equity Shares in an "*offshore transaction*" as defined in, and in reliance on, Regulation S, is not an affiliate of the Company or the BRLM or a person acting on behalf of such an affiliate and it has agreed to certain other representations set forth in the Application Form.

**Eligible Qualified Institutional Buyers**

Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to the Issue, provided that with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law, will be considered as Eligible QIBs. FVCIs are not permitted to participate in the Issue. Currently, QIBs, who are eligible to participate in the Issue and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- mutual funds, venture capital fund and alternate investment funds registered with SEBI;
- a foreign portfolio investor other than individuals, corporate bodies and family offices, registered with SEBI;
- insurance companies registered with the Insurance Regulatory and Development Authority of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- multilateral and bilateral development financial institutions (which are resident in India);
- pension funds with minimum corpus of ₹ 25 crore;
- provident funds with minimum corpus of ₹ 25 crore;
- public financial institutions as defined under Section 2(72) of the Companies Act, 2013;
- scheduled commercial banks;
- state industrial development corporations;

- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005, of the Government published in the Gazette of India; and

- systemically important non-banking financial companies.

**Eligible FPIs are permitted to participate under Schedule II of FEMA Rules in this Issue. Eligible FPIs are permitted to participate in the Issue subject to compliance with all applicable laws and such that the shareholding of the FPIs do not exceed specified limits as prescribed under applicable laws in this regard. FVCIs are not permitted to participate in this Issue.**

In terms of the SEBI FPI Regulations, the offer of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Issue Equity Share capital of our Company. Further, in terms of the FEMA Rules, the total holding by each FPI or investor group shall be below 10% of the total paid-up Equity Share capital of our Company. Hence, Eligible FPIs may invest in such number of Equity Shares in the Issue such that (i) the individual investment of the FPI in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis, and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company on a fully diluted basis. In case the holding of an FPI or investor group increases to 10% or more of the total paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done within the aforementioned prescribed time, the total investment made by such FPI together with its investor group will be re-classified as FDI as per the procedure specified by SEBI, and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations. Further, the aggregate limit of all FPIs investments is up to the sectoral cap applicable to the sector in which our Company operates (i.e., 100% in greenfield and in brownfield, 74% via automatic route and Government route beyond 74%.). However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (i) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable.

Two or more subscribers of ODIs having a common beneficial owner shall be considered together as a single subscriber of the ODI. In the event an investor has investments as a FPI and as a subscriber of ODIs, these investment restrictions shall apply on the aggregate of the FPI and ODI investments held in the underlying company. Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed NSDL as the designated depository to monitor the level of FPI/NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3% below the overall limit a red flag shall be activated. SEBI however, pursuant to its Circular dated May 17, 2018 (Circular No: SEBI/HO/IMD/FPIC/CIR/P/2018/81), directed that this system of monitoring foreign investment limits in Indian listed companies be made operational with effect from June 1, 2018. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The Stock Exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

As per the circular issued by SEBI on November 5, 2019, these investment restrictions shall also apply to subscribers of P-Notes. Two or more subscribers of P-Notes having a common beneficial owner shall be considered together as a single subscriber of the P-Note. In the event an investor has investments as a FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments held in the underlying company.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

**Restriction on Allotment**

Pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any Eligible QIB being, or any person related to, our Promoters. QIBs which have all or any of the following rights shall be deemed to be persons related to our Promoters:

- rights under a shareholders' agreement or voting agreement entered into with our Promoters or members of the Promoter Group;

- veto rights; or

- a right to appoint any nominee director on our Board.

Provided, however, that an Eligible QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to our Promoters.

**Our Company and the BRLM and any of its shareholders, employees, counsels, officers, directors, representatives, agents, advisors or affiliates are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations.**

**A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of undersubscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.**

***Note:*** *Affiliates or associates of the BRLM who are QIBs may participate in the Issue in compliance with applicable laws.*

**Bid Process**

***Application Form***

Eligible QIBs shall only use the serially numbered Application Forms (which are specifically addressed to them) supplied by our Company and/or the BRLM in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Preliminary Placement Document and the Placement Document. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Issue Period, and in such case, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Preliminary Placement Document, the Eligible QIB will be deemed to have made the following representations, warranties, acknowledgements and undertakings given or made under "***Notice to Investors***", "***Representations by Investors***", "***Selling Restrictions***" and "***Transfer Restrictions and Purchaser Representations***" on pages 3, 5, 239 and 245, respectively:

1. The Bidder confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. The Bidder confirms that it is not a Promoter of our Company and is not a person related to the Promoters of our Company, either directly or indirectly and its Application Form does not directly or indirectly represent our Promoter or Promoter Group or persons related to our Promoter;

3. The Bidder confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoters of our Company or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender not holding any Equity Shares, which shall not be deemed to be a person related to our Promoters;

4. The Bidder acknowledges that it has no right to withdraw or revise its Bid downwards after the Issue Closing Date;

5. The Bidder confirms that if the Equity Shares are Allotted through the Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the floor of the Stock Exchanges;

6. The Bidder confirms that the QIB is eligible to Bid for and hold the Equity Shares so Allotted and together with any Equity Shares held by the QIB prior to the Issue. The Bidder further confirms that the holding of the QIB, does not and shall not, exceed the level permissible as per any regulations applicable to the QIB;

7. The Bidder confirms that the Application would not result in triggering a tender offer under the SEBI Takeover Regulations;

8. The Bidder confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;

9. The Bidder agrees that it will make payment of its Bid Amount, along with submission of the Application Form within the Issue Period. The Bidder agrees that once a duly filled Application Form is submitted by itself, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date;

10. The Bidder agrees that although the Bid Amount is required to be paid by it, along with the Application Form within the Issue Period in terms of provisions of the Companies Act, 2013 and rules made thereunder, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the BRLM. The Bidder further acknowledges and agrees that the payment of Bid Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

11. The Bidder acknowledges that in terms of the requirements of the Companies Act, 2013 upon Allocation, the Company will be required to disclose their names as "proposed Allottees" and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document and consents of such disclosure, if any Equity Shares are Allocated to it. However, the Bidder further acknowledges and agrees, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the discretion of the Company, in consultation with the BRLM;

12. The Bidder confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue size. For the purposes of this representation:

    a. The expression "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other QIB ; and

    b. 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations.

13. The Eligible QIB confirms that:

    c. It is outside the United States and subscribing to the Equity Shares in an "offshore transaction" in reliance upon Regulation S, and is not our affiliate or a person acting on behalf of such an affiliate; and

    d. It has agreed to the other representations set forth in the sections titled, "***Selling Restrictions***" and "***Transfer Restrictions and Purchaser Representations***" on pages 239 and 245, respectively, and the other representations made in the Application Form.

14. The Bidder acknowledge that no Allotment shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price;

15. The Bidder confirms that it shall not undertake any trade in the Equity Shares credited into the beneficiary account maintained with the Depository Participant by the QIBs until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges;

16. The Bidder acknowledges, represents and agrees that in the event its total interest in the paid-up share capital of our Company or voting rights in our Company, whether direct or indirect, beneficial or otherwise (any such interest, your "**Holding**"), when aggregated together with any existing Holding and/or Holding of any of the persons acting in concert, results in Holding of 5% or more of the total paid-up share capital of, or voting rights in, our Company a disclosure of the aggregate shareholding and voting rights will have to be made under the SEBI Takeover Regulations. In case such Eligible QIB is an existing shareholder who, together with persons acting in concert, holds 5% or more of the underlying paid up share capital of, or voting rights in our Company a disclosure will have to be made under the SEBI Takeover Regulations in the event of a change of 2% or more in the existing Holding of the Eligible QIB and persons acting in concert;

17. The Eligible FPI, confirms that it will participate in the Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledges that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis. The Bidder confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations; and

18. The Bidder has read and understood, and by making a Bid for the Equity Shares through the Application Forms and pursuant to the terms of this Preliminary Placement Document, will be deemed to have made the representations, warranties and agreements made under "***Notice to Investors***", "***Representations by Investors***", "***Selling Restrictions***" and "***Transfer Restrictions and Purchaser Representations***" on page 3, 5, 239 and 245, respectively.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India and the FDI Policy, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route. Further, the sectoral cap applicable to the sector in which our Company operates is 100% in greenfield and 74% in brownfield, via automatic route and Government route beyond 74%.

**ELIGIBLE QIBS MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, EMAIL ID, PHONE NUMBER, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN / PAN ALLOTMENT LETTER (IF APPLICABLE), DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR DEPOSITORY / BENEFICIARY ACCOUNT IS HELD.**

**IF SO, REQUIRED BY THE BRLM, THE ELIGIBLE QIBS SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BRLM TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.**

**IF SO, REQUIRED BY THE BRLM, THE ESCROW AGENT OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSING DATE, THE ELIGIBLE QIBS SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.**

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Bid Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Bid Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Bid Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder to pay the entire Issue Price for the Equity Shares and becomes a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company or by the BRLM in favour of the Successful Bidder.

***Submission of Application Form***

All Application Forms must be duly completed with information including the name of the Bidder, the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter (if applicable). The Bid Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the BRLM either through electronic form or through physical delivery at either of the following addresses:

| Name of the BRLM | Address | Contact Person | Email | Contact Number |
|---|---|---|---|---|
| DAM Capital Advisors Limited | One BKC, Tower C, 15th Floor, Unit No.1511 Bandra Kurla Complex, Bandra (East) Mumbai 400 051 Maharashtra, India | Chandresh Sharma/ Puneet Agnihotri | wockhardt.qip@damcapital.in | +91 22 4202 2500 |

The BRLM shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Bid Amount.

Bidders Bidding in the Issue shall pay the entire Bid Amount along with the submission of the Application Form, within the Issue Period.

**Payment of Bid Amount**

Our Company has opened the Escrow Account in the name of "*Wockhardt Ltd - Escrow Account QIP October 2024"* with the Escrow Agent, in terms of the arrangement among our Company, the BRLM and the Escrow Agent. Each Bidder will be required to deposit the Bid Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bidding Period. Bidders can make payment of the Bid Amount only through electronic transfer of funds from their own bank account.

**Note: Payments are to be made only through electronic fund transfer. Payments made through cash or cheques are liable to be rejected. Further, if the payment is not made favouring the Escrow Account, the Application Form is liable to be cancelled and rejected.**

Pending Allotment, our Company undertakes to utilise the amount deposited in "*Wockhardt Ltd - Escrow Account QIP October 2024"* only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Bid Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or the Application Amount was in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to the Bidder and the Issue Price, or the Application Amount has been arrived at using an indicative price higher than the Issue Price, or any Bidder lowers or withdraws their Bid after submission of the Application Form but prior to the Issue Closing Date, the excess Application Amount will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in *"**Issue Procedure – Refunds***" on page 235.

**Pricing and Allocation**

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the stock exchange during the two weeks preceding the Relevant Date. However, a discount of not more than 5% of the Floor Price may be offered by our Company in accordance with the provisions of the SEBI ICDR Regulations.

Our Company, in consultation with the BRLM, shall determine the Issue Price, which shall be at or above the Floor Price.

The "Relevant Date" referred to above, for Allotment, will be the date of the meeting in which the Board decides to open the Issue and "stock exchange" means any of the recognized stock exchanges in India on which the Equity Shares of the Company of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date.

***Build-up of the Book***

The Eligible QIBs shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the BRLM. Such Bids cannot be withdrawn or revised downwards after the Issue Closing Date. The book shall be maintained by the BRLM.

***Price Discovery, Terms and Allocation***

Our Company, in consultation with the BRLM, shall determine the Issue Price, which shall be at or above the Floor Price and the Allocation on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations. However, our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations as approved by the Board pursuant to resolution dated May 28, 2024, and the resolution of our Shareholders on June 28, 2024.

After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

***Method of Allocation***

Our Company shall determine the Allocation in consultation with the BRLM on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Bids received from the Eligible QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Eligible QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company, in consultation with the BRLM, have the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

**THE DECISION OF OUR COMPANY, IN CONSULTATION WITH THE BRLM, IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL BIDDERS. BIDDERS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY, IN CONSULTATION WITH THE BRLM, AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE BID AMOUNT AT OR ABOVE THE ISSUE PRICE. NEITHER OUR COMPANY NOR THE BRLM ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.**

**Confirmation of Allocation Note (CAN)**

Based on receipt of the serially numbered Application Forms and Bid Amount, our Company, in consultation with the BRLM, in their sole and absolute discretion, shall decide the Successful Bidders to whom the serially numbered CAN shall be dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price and the Bid Amount for the Equity Shares Allocated to them shall be notified to such Successful Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in the Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIBs to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board will approve the Allotment of the Equity Shares to the Allottees in consultation with the BRLM.

**Successful Bidders are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.**

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in "***Notice to Investors***" on page 3 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

***Designated Date and Allotment of Equity Shares***

1. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the respective CANs.

2. In accordance with the SEBI ICDR Regulations, the Equity Shares will be offered, and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

3. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.

4. Following the Allotment of the Equity Shares pursuant to the Issue, our Company shall submit the necessary documents with the Stock Exchanges in relation to the Issue and post that our Company shall credit the Equity Shares into the beneficiary accounts of the Eligible QIBs.

5. Following the credit of Equity Shares into the Successful Bidders' beneficiary accounts (a) the Successful Bidders will be eligible for trading on the Stock Exchanges immediately upon such credit, and (b) the monies lying to the credit of the Escrow Account shall be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and the Company files the return of Allotment in connection with the Issue with the RoC.

6. After finalization of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file it with the Stock Exchanges as the Placement Document, including the details of names of the proposed Allottees and the percentage of their post-Issue shareholding in our Company. Pursuant to a circular dated March 5, 2010 issued by the SEBI, the Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, namely, names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document.

7. In the event that we are unable to issue and Allot the Equity Shares offered in the Issue or if the Issue is cancelled within the timelines prescribed under the applicable laws, our Company shall repay the application monies within the timelines prescribed under the applicable laws, failing which our Company shall repay that monies with interest at such rate and in such manner as prescribed under the Companies Act, 2013 and SEBI ICDR Regulations. The application monies to be refunded by us shall be refunded to the same bank account from which application monies was remitted by the Bidders, as mentioned in the Application Form.

**Refunds**

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or Equity Shares are not Allocated to a Bidder for any reasons, or the Application Amount paid by a Bidder is in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to such Bidder and the Issue Price, or a Bidder lowers or withdraws the Bid prior to the Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted (as set out in the Application in the form and manner set out in the Refund Intimation Letter. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that Equity Shares have been Allocated to Successful Bidders and our Company is unable to issue and Allot the Equity Shares offered in the Issue or on cancellation of the Issue within the timelines prescribed under the applicable laws, our Company shall repay the Bid Amount as per the timelines prescribed under the applicable laws, failing which our Company shall repay that money with interest at such rate and in such manner as prescribed under the Companies Act, 2013 and SEBI ICDR Regulations.

**Release of Funds to our Company**

The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to the Issue are received by our Company and the Company files the return of Allotment in connection with the Issue with the RoC. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

**Other Instructions**

***Submission of Documents***

A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.

***Permanent Account Number or PAN***

Each Bidder should mention its PAN allotted under the Income Tax Act, 1961 ("**IT Act**"). A copy of PAN card is required to be submitted with the Application Form. However, this requirement may not apply to certain Bidders who are exempted from the requirement of obtaining a PAN under the IT Act. Further, the Application Forms without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that applicants should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

***Bank account details***

Each Bidder shall mention the details of the bank account from which the payment of Bid Amount has been made along with confirmation that such payment has been made from such account.

***Right to Reject Applications***

Our Company, in consultation with the BRLM, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the BRLM in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Bid Amount paid by the Bidder shall be refunded to the same bank account from which the Bid Amount was remitted by such Bidder, as set out in the Application Form. For details see "***Issue Procedure – Refund***" on page 235. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

***Equity Shares in dematerialised form with the Depositories***

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode). Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013, the Depositories Act and other applicable laws. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

The Bidders applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either of the Depositories prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with the Depositories. The Stock Exchanges have electronic connectivity with the Depositories. The trading of the Equity Shares would be in dematerialised form only for all Allottees in the respective demat segment of the Stock Exchanges. Our Company and the BRLM will not be responsible or liable for the delay in the credit of the Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on part of the Bidder.

## PLACEMENT

*No assurance can be given as to the liquidity or sustainability of the trading market for the Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.*

**Placement Agreement**

The BRLM has entered into the Placement Agreement dated November 6, 2024 with our Company, pursuant to which the BRLM has agreed, subject to certain conditions, to manage the Issue and to act as placement agent in connection with the proposed Issue and procure subscription, on a reasonable efforts basis, for Equity Shares to be placed with the Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, to the extent applicable, as amended and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. The Placement Agreement contains customary representations, warranties and indemnities from our Company, and it is subject to satisfaction of certain conditions and subject to termination in accordance with the terms contained therein.

This Preliminary Placement Document and the Placement Document has not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares offered pursuant to the Issue, will be offered in India or overseas to the public or any members of the public or any other class of prospective investors, other than Eligible QIBs.

No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S and in accordance with the applicable laws of the jurisdictions where those offers and sales are made. For further information, see "***Selling Restrictions***" on page 239.

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges.

In connection with the Issue, the BRLM (or their affiliates) may, for its own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be offered pursuant to the Issue at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the BRLM may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. The Affiliates of the BRLM may purchase Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see "***Offshore Derivative Instruments***" on page 10.

From time to time, the BRLM, and their affiliates may be engaged in or may in the future engage in transactions with and perform services, including but not limited to investment banking, advisory, banking, trading services for our Company, its Subsidiaries, its group companies, affiliates and the shareholders of our Company, as well as to their respective affiliates, pursuant to which fees and commissions have been paid or will be paid to the BRLM and their affiliates.

**Lock-up**

Under the Placement Agreement, our Company undertakes that it will not, for a period till 90 days from the date of allotment of Equity Shares pursuant to the Issue ("**Lock-up Period**"), without the prior written consent of the Placement Agent, do the following:

(a) directly or indirectly, offer, issue, contract to issue, lend, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any of the Equity Shares except for transfer of 1,800 Equity Shares by way of gift from Habil Fakhruddin Khorakiwala to his relatives or any securities convertible into or exercisable for the Equity Shares or file any registration statement under the U.S. Securities Act, with respect to any of the foregoing;

(b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Equity Shares or any securities convertible into or exercisable or exchangeable for the Equity Shares (regardless of whether any of the transactions described in clause (a) or (b) is to be settled by the delivery of the Equity Shares or such other securities, in cash or otherwise);

(c) enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Equity Shares in any depository receipt facility; or

(d) publicly announce any intention to enter into any transaction falling within (a), (b) or (c) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of the Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a), (b) or (c) above.

In addition, the undersigned agree that, without the prior written consent of the Placement Agent, it shall not, during the Lock-up Period, make any demand for or exercise any right with respect to, the registration of any Equity Shares or any other securities of the Company substantially similar to the Equity Shares, including, but not limited to options, warrants or other securities that are convertible into, exercisable or exchangeable for, or that represent the right to receive Equity Shares or any such substantially similar securities, whether now owned or hereinafter acquired, except for preferential or rights issue or allotment of Equity Shares pursuant to an employee stock option scheme or in the ordinary course of business.

This lock-up undertaking shall stand terminated if the Placement Agreement terminates in accordance with its terms prior to the date of the issuance of the Equity Shares under the Issue or upon the expiration of the Lock-up Period.

**Promoter's and Promoter Group's lock-up**

Under the Placement Agreement, to encourage the Placement Agent to enter into the Agreement and continue their effort in connection with the Issue and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, our Promoter and Promoter Group hereby agree that, without the prior written consent of the Placement Agent (which such consent shall not be unreasonably withheld), our Promoter and Promoter Group will not, for a period till 90 days after the date of allotment of the Equity Shares pursuant to the Issue (the "**Lock-up Period**", which shall be communicated by the Placement Agent in writing immediately on the completion of the allotment of the Equity Shares), directly or indirectly:

a) sell, lend, pledge, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose off, directly or indirectly, any Lock-up Shares or publicly announce an intention with respect to any of the foregoing (regardless of whether any of the transactions described in this clause (a) is to be settled by the delivery of the Lock-up Shares or such other securities, in cash or otherwise);

b) enter into any swap or other agreement or any transaction that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of the Lock-up Shares or any securities convertible into or exercisable or exchangeable for any of the Lock-up Shares (regardless of whether any of the transactions described in this clause (b) is to be settled by the delivery of the Lock-up Shares or such other securities, in cash or otherwise);

c) deposit any of the Lock-up Shares with any depository receipt facilities or enter into any such transactions (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of the Lock-up Shares in any depository receipt facility; or

d) publicly announce any intention to enter into any transaction whether any such transaction described in (a), (b) or (c) above is to be settled by delivery of the Lock-up Shares, or such other securities, in cash or otherwise;

provided however that the foregoing restrictions will not be applicable to (i) pledge or mortgage of the Lock-up Shares already existing on the date of this lock-up undertaking or transfer of such existing pledge or mortgage; and (ii) pledge or mortgage of the Promoter's Lock-up Shares, if the circumstances require, in the best interest of the Company, for funding business requirements of the Company.

## SELLING RESTRICTIONS

### General

Except for in India, no action has been taken or will be taken by our Company or the BRLM that would permit the offering of the Equity Shares in the Issue into occur in any jurisdiction, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to the Issue in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and none of this Preliminary Placement Document, any offering materials and any advertisements in connection with the offering of the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

Each purchaser of the Equity Shares in this Issue will be deemed to have made representations, warranties, acknowledgments and agreements as described in this section and under "***Notice to Investors***", "***Representations by Investors***" and "***Transfer Restrictions and Purchase Representations***" on page 3, 5 and 245, respectively.

### Republic of India

The Issue will be made only to Eligible QIBs in compliance with the SEBI ICDR Regulations, Section 42 and 62 of the Companies Act, 2013, read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act and the rules made thereunder.

This Preliminary Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public or any other class of investors other than Eligible QIBs. This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC, or an advertisement and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction.

### Bahrain

This Preliminary Placement Document may only be distributed to Accredited Investors as defined by the Central Bank of Bahrain and the Equity Shares offered in the Issue may be offered and sold only to Accredited Investors as defined by the Central Bank of Bahrain by way of private placement in minimum subscriptions of USD 100,000 (or equivalent in other currencies). No invitation to purchase the Equity Shares in the Issue may be to the public in the Kingdom of Bahrain and this Preliminary Placement Document may not be issued, passed to, or made available to the public generally.

The Central Bank of Bahrain, the Bahrain Bourse and the Ministry of Industry, Commerce and Tourism of the Kingdom of Bahrain take no responsibility for the accuracy of the statements and information contained in this Preliminary Placement Document or the performance of the Equity Shares, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein.

### Cayman Islands

The Preliminary Placement Document does not constitute an offer or invitation to the public in the Cayman Islands to subscribe for Equity Shares in the Issue.

### European Economic Area

In relation to each Member State of the European Economic Area (each a "**Relevant State**"), an offer to the public of any Equity Shares in the Issue may not be made in that Relevant State, except if the Equity Shares are offered to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation (EU) 2017/1129 (and any amendment thereto) (the "**Prospectus Regulation**"):

- to any legal entity that is a qualified investor, as defined in the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the Book Running Lead Manager for any such offer;
- or in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall result in a requirement for the publication by the Company or the Book Running Lead Manager of a prospectus pursuant to Article 3 of the Prospectus Regulation.

For the purposes of this section, the expression an "offer of Equity Shares to the public" in relation to any Equity Shares in any Relevant State means a communication to persons in any form and by any means presenting sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares.

Except for each person who is not a qualified investor and who has notified the Book Running Lead Manager of such fact in writing and has received the consent of the Book Running Lead Manager in writing to subscribe for or purchase Equity Shares in the Issue, each person in a Relevant State who acquires Equity Shares in the Issue or to whom any offer is made shall be deemed to have represented that it is a "qualified investor" as defined in the Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary, as that term is used in Article 5 of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Equity Shares subscribed for or acquired by it in the Issue have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Relevant State to qualified investors (as so defined) or in circumstances in which the prior consent of the Book Running Lead Manager has been obtained to each such proposed offer or resale.

Our Company, the Book Running Lead Manager and their affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

**Hong Kong**

This Preliminary Placement Document has not been reviewed or approved by any regulatory authority in Hong Kong. In particular, this Preliminary Placement Document has not been, and will not be, registered as a "prospectus" in Hong Kong under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32) ("**CO**") nor has it been authorised by the Securities and Futures Commission ("**SFC**") in Hong Kong pursuant to the Securities and Futures Ordinance (Cap 571) ("**SFO**"). Recipients are advised to exercise caution in relation to the Issue. If recipients are in any doubt about any of the contents of this Preliminary Placement Document, they should obtain independent professional advice.

This Preliminary Placement Document does not constitute an offer or invitation to the public in Hong Kong to acquire any Equity Shares nor an advertisement of the Equity Shares in Hong Kong. This Preliminary Placement Document must not be issued, circulated or distributed in Hong Kong other than:

(a) to "professional investors" within the meaning of the SFO and any rules made under that ordinance ("**Professional Investors**"); or

(b) in other circumstances which do not result in this Preliminary Placement Document being a prospectus as defined in the CO nor constitute an offer to the public which requires authorization by the SFC under the SFO.

Unless permitted by the securities laws of Hong Kong, no person may issue or have in its possession for issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Equity Shares, which is directed at, or the content of which is likely to be accessed or read by, the public of Hong Kong other than with respect to the Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to Professional Investors.

Any offer of the Equity Shares will be personal to the person to whom relevant offer documents are delivered, and a subscription for the Equity Shares will only be accepted from such person. No person who has received a copy of this Preliminary Placement Document may issue, circulate or distribute this Preliminary Placement Document in Hong Kong or make or give a copy of this Preliminary Placement Document to any other person. No person allotted Equity Shares may sell, or offer to sell, such Equity Shares to the public in Hong Kong within six months following the date of issue of such Equity Shares.

**Japan**

No securities registration statement in relation to the solicitations of the Equity Shares offered in the Issue in Japan (the "**Solicitations**") has been or will be filed pursuant to Article 4, Paragraph 1 of the Financial Instrument and Exchange Law of Japan (the "**FIEL**"). The Solicitations shall only be made (i) to Qualified Institutional Investors and (ii) to no more than 49 persons (excluding any Qualified Institutional Investors) during the six-month period prior to the contemplated date of the allotment of the Equity Shares in the Issue.

Any Qualified Institutional Investors who acquire Equity Shares in the Issue (a) may not, directly or indirectly, resell, assign, transfer, or otherwise dispose of the Equity Shares to any person in Japan or to or for the benefit of any resident of Japan, including any corporation or other entity organised under the laws of Japan, except to Qualified Institutional Investors; and (b) shall deliver a notification indicating (a) and (b) herein to any transferee of the Equity Shares.

Capitalized terms used in this sub-section and not defined in this Preliminary Placement Document have the meanings given to those terms in the FIEL.

**Kuwait**

This Preliminary Placement Document has not been licensed for the offering, promotion, marketing, advertisement or sale of the Equity Shares offered in the Issue in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Equity Shares offered in the Issue in the State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of securities in the State of Kuwait ("**Kuwait Securities Laws**"). Therefore, in accordance with the Kuwait Securities Laws, no private or public offering of the Equity Shares is or will be made in the State of Kuwait, no agreement relating to the sale of the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in the State of Kuwait.

**Mauritius**

In accordance with The Securities Act 2005 of Mauritius, no offer of the Equity Shares offered in the Issue may be made to the public in Mauritius without, amongst other things, the prior approval of the Mauritius Financial Services Commission. This Preliminary Placement Document has not been approved or registered by the Mauritius Financial Services Commission. Accordingly, this Preliminary Placement Document does not constitute a public offering. This Preliminary Placement Document is for the exclusive use of the person to whom it has been given by the Book Running Lead Manager and is a private concern between the sender and the recipient.

**Oman**

This Preliminary Placement Document does not constitute an offer to sell or the solicitation of any offer to buy non-Omani securities in the Sultanate of Oman. This Preliminary Placement Document is strictly private and confidential and is being provided to a limited number of sophisticated investors solely to enable them to decide whether or not to invest in the Equity Shares outside of the Sultanate of Oman, upon the terms and subject to the restrictions set out herein and may not be reproduced or used for any other purpose or provided to any person other than the original recipient.

This Preliminary Placement Document has not been approved by the Capital Market Authority of Oman (the "**CMA**") or any other regulatory body or authority in the Sultanate of Oman ("**Oman**"), nor have the Book Running Lead Manager received authorisation, licensing or approval from the CMA or any other regulatory authority in Oman, to market, offer, sell, or distribute the Equity Shares in Oman.

No marketing, offering, selling or distribution of any Equity Shares has been or will be made from within Oman and no subscription for any Equity Shares may or will be consummated within Oman. None of the Book Running Lead Manager is not a company licensed by the CMA to provide investment advisory, brokerage, or portfolio management services in Oman, nor a bank licensed by the Central Bank of Oman to provide investment banking services in Oman. The Book Running Lead Manager do not advise persons or entities resident or based in Oman as to the appropriateness of investing in or purchasing or selling securities or other financial products.

The Equity Shares offered in the Issue have not and will not be listed on any stock exchange in the Sultanate of Oman.

Nothing contained in this Preliminary Placement Document is intended to constitute Omani investment, legal, tax, accounting or other professional advice. This Preliminary Placement Document is for your information only, and nothing herein is intended to endorse or recommend a particular course of action. You should consult with an appropriate professional for specific advice on the basis of your situation.

**Qatar (excluding the Qatar Financial Centre)**

This Preliminary Placement Document does not, and is not intended to, constitute an invitation or an offer of Equity Shares in the State of Qatar and accordingly should not be construed as such. The Equity Shares offered in the Issue have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of the Equity Shares in the State of Qatar.

By receiving this Preliminary Placement Document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (a) neither this Preliminary Placement Document nor the Equity Shares have been registered, considered, authorised or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, or any other authority or agency in the State of Qatar; (b) our Company and the Book Running Lead Manager are not authorised or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (c) this Preliminary Placement Document may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (d) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Issue has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This Preliminary Placement Document shall not form the basis of, or be relied on in connection with, any contract in Qatar. Our Company and the Book Running Lead Manager are not, by distributing this Preliminary Placement

Document, advising individuals resident in the State of Qatar as to the appropriateness of purchasing Equity Shares in the Issue. Nothing contained in this Preliminary Placement Document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

***Qatar Financial Centre***

This Preliminary Placement Document does not, and is not intended to, constitute an invitation or offer of Equity Shares from or within the Qatar Financial Centre ("**QFC**"), and accordingly should not be construed as such. This Preliminary Placement Document has not been reviewed or approved by or registered with the Qatar Financial Centre Authority, the Qatar Financial Centre Regulatory Authority or any other competent legal body in the QFC. This Preliminary Placement Document is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. Our Company has not been approved or licenced by or registered with any licensing authorities within the QFC.

**Singapore**

This Preliminary Placement Document has not been and will not be registered as a prospectus with the Monetary Authority of Singapore ("**MAS**") under the Securities and Futures Act (Chapter 289) of Singapore ("**SFA**"). Accordingly, the Equity Shares offered in the Issue may not be offered or sold, or made the subject of an invitation for subscription or purchase nor may this Preliminary Placement Document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Equity Shares be circulated or distributed, whether directly or indirectly, in Singapore other than (i) to an "institutional investor" within the meaning of Section 274 of the SFA and in accordance with the conditions of an exemption invoked under Section 274, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) other pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights or interest in that trust are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for a corporation, in accordance with the conditions specified in Section 275 of the SFA; (2) where no consideration is or will be given for the transfer; or (3) where the transfer is by operation of law.

In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), our Company has determined, and hereby notifies all relevant persons (as defined in Section 309(A)(1) of the SFA) that the Equity Shares are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

**South Korea (Republic of Korea)**

No securities registration statement in relation to the Solicitations (as defined under Financial Investment Services and Capital Markets Act of the Republic of Korea ("**South Korea**") (the "**FISCMA**")) of the Equity Shares offered in the Issue in South Korea has been or will be filed pursuant to the FISCMA. The Solicitations shall only be made (i) to certain professionals as prescribed in the FISCMA and the enforcement decree promulgated thereunder ("**Professional Investors**") and (ii) to no more than 49 persons (excluding any Professional Investors) during the six-month period prior to the contemplated date of the allotment of the Equity Shares in the Issue.

Furthermore, the Equity Shares may not be offered, sold, transferred or delivered for reoffering or resale, directly or indirectly, in South Korea or to, or for the account or benefit of, any resident (as defined under the Foreign Exchange Transactions Act of South Korea and the decree, rules and regulations promulgated thereunder) thereof for a period of one year from the date of the issuance of the Equity Shares, except as otherwise permitted under applicable South Korean laws and regulations.

**Switzerland**

The offering of the Equity Shares offered in the Issue in Switzerland is exempt from the requirement to prepare and publish a prospectus under the Swiss Financial Services Act ("**FinSA**") because such offering in Switzerland is directed only at investors classified as "professional clients" within the meaning of the FinSA and the Equity Shares offered in the Offer will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. This document does not constitute a prospectus pursuant to the FinSA, and no such prospectus has been or will be prepared for or in connection with the Issue.

No key information document under article 58 of the FinSA or article 59(2) of the FinSA in respect of the Issue has been prepared and published. Accordingly, the Equity Shares offered in the Issue may not be offered to "private clients" within the meaning of the FinSA in Switzerland.

Each person in Switzerland who acquires Equity Shares in the Issue shall be deemed to have represented to our Company and the Book Running Lead Manager that it is a "professional client" within the meaning of the FinSA and that it has not opted-in to be treated as a "private client" on the basis of article 5(5) of the FinSA.

This document is not intended to constitute an advertising document within the meaning of article 68 of the FinSA and article 95 of the Swiss Federal Financial Services Ordinance.

The Equity Shares do not constitute a participation in a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes and are not licensed by the Swiss Financial Market Supervisory Authority ("**FINMA**") thereunder. Accordingly, neither the Equity Shares nor the Shareholders benefit from protection under the Swiss Federal Act on Collective Investment Schemes or supervision by FINMA.

**United Arab Emirates (excluding the Dubai International Financial Centre)**

No offering, marketing, promotion, advertising or distribution (collectively, "**Promotion"**) of this Preliminary Placement Document or the Equity Shares may be made in the United Arab Emirates (the "**UAE**") unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the "**SCA**") and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors' Chairman Decision no. (3/R.M.) of 2017 (the "**Promotion and Introduction Regulations**"), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to Qualified Investors who are not High Net Worth Individuals (as such terms are defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE.

The Promotion of this Preliminary Placement Document and the Equity Shares has not been and will not be approved by the SCA and, as such, this Preliminary Placement Document does not constitute an offer to the general public in the UAE to acquire any Equity Shares. Except where the Promotion of this Preliminary Placement Document and the Equity Shares is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE, the Promotion of this Preliminary Placement Document and the Equity Shares in the UAE is being made only to Qualified Investors who are not High Net Worth Individuals (as such terms are defined in the Promotion and Introduction Regulations).

None of the SCA, the Central Bank of the United Arab Emirates or any other regulatory authority in the UAE has reviewed or approved the contents of this Preliminary Placement Document and nor does any such entity accept any liability for the contents of this Preliminary Placement Document.

***Dubai International Financial Centre***

The Equity Shares offered in the Issue are not being offered to any persons in the Dubai International Financial Centre except on that basis that an offer is: (i) an "Exempt Offer" in accordance with the Markets Rules (MKT) (the "**Markets Rules**") adopted by the Dubai Financial Services Authority (the "**DFSA**"); and (ii) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook and are not natural Persons. This Preliminary Placement Document must not be delivered to, or relied on by, any other person. The DFSA has not approved this Preliminary Placement Document nor taken steps to verify the information set out in it and has no responsibility for it. Capitalised terms not otherwise defined in this Preliminary Placement Document have the meaning given to those terms in the Markets Rules.

The Equity Shares may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Equity Shares offered in the Issue should conduct their own due diligence on the Equity Shares. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorised financial adviser.

**United Kingdom**

No Equity Shares have been offered or will be offered pursuant to the Issue to the public in the United Kingdom prior to the publication of a prospectus in relation to the Equity Shares which is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of the Prospectus

(Amendment etc.) (EU Exit) Regulations 2019/1234, except that it may make an offer to the public in the United Kingdom of any Equity Shares at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Book Running Lead Manager for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation,

provided that no such offer of the Equity Shares shall require our Company or the Book Running Lead Manager to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the Equity Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

This Preliminary Placement Document may not be distributed or circulated to any person in the United Kingdom other than to (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**"); and (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Financial Promotion Order (all such persons together being referred to as "relevant persons"). This Preliminary Placement Document is directed only at relevant persons. Other persons should not act on this Preliminary Placement Document or any of its contents. This Preliminary Placement Document is confidential and is being supplied to you solely for your information and may not be reproduced, redistributed or passed on to any other person or published, in whole or in part, for any other purpose.

**United States**

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S. To help ensure compliance with Regulation S, each purchaser of Equity Shares in the Issue will be deemed to have made the representations, warranties, acknowledgements and agreements set forth in "***Transfer Restrictions and Purchaser Representations***" on page 245. The Equity Shares purchased in the Issue are transferable only in accordance with the restrictions described in "***Transfer Restrictions and Purchaser Representations***" on page 245.

Until the expiry of 40 days after the commencement of the Issue, an offer or sale of Equity Shares offered in the Issue within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the U.S. Securities Act.

## TRANSFER RESTRICTIONS AND PURCHASER REPRESENTATIONS

*Due to the following restrictions, investors are advised to consult legal counsel prior to purchasing Equity Shares or making any resale, pledge or transfer of Equity Shares.*

Purchasers are not permitted to sell the Equity Shares Allotted pursuant to the Issue, for a period of one year from the date of Allotment, except on the Stock Exchanges. Allotments made to Eligible QIBs in the Issue (including to FPIs, VCFs, and AIFs) are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements.

The Equity Shares Allotted in the Issue are also subject to the resale restrictions in "***Selling Restrictions***" beginning on page 239 and the following resale restrictions.

**United States**

Each purchaser of the Equity Shares offered in the Issue shall be deemed to have represented, warranted and acknowledged to and agreed with our Company and the Book Running Lead Manager as follows:

- It understands that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and are being offered and sold to it in reliance on Regulation S.
- It was outside the United States at the time the offer of the Equity Shares offered in the Issue was made to it and it was outside the United States when its buy order for the Equity Shares offered in the Issue was originated.
- It did not purchase the Equity Shares offered in the Issue as a result of any "directed selling efforts" (as defined in Regulation S).
- It is buying the Equity Shares offered in the Issue for investment purposes and not with a view to the distribution thereof. If in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares offered in the Issue, it agrees that it will not offer, sell, pledge or otherwise transfer the Equity Shares offered in the Issue except in transactions complying with Rule 903 or Rule 904 of Regulation S or an available exemption from registration under the U.S. Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India.
- Where it is subscribing to the Equity Shares offered in the Issue as fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and it has full power to make the representations, warranties, agreements and acknowledgements herein.
- Where it is subscribing to the Equity Shares offered in the Issue for one or more managed accounts, it represents and warrants that it was authorised in writing by each such managed account to subscribe to the Equity Shares offered in the Issue for each managed account and to make (and it hereby makes) the representations, warranties, agreements and acknowledgements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.
- It agrees to indemnify and hold our Company and the Book Running Lead Manager harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares purchased in the Issue.
- It acknowledges that our Company, the Book Running Lead Manager and their affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Our Company, our representatives and our agents will not be obligated to recognize any acquisition, transfer or resale of the Equity Shares made other than in compliance with the restrictions set forth herein.

## THE SECURITIES MARKET OF INDIA

*The information in this section has been extracted from documents available on the respective websites of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the BRLM or any of their affiliates or advisors.*

### The Indian Securities Market

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in India in terms of the number of listed companies, market capitalisation and trading activity.

### Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. On October 9, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SCR (SECC) Regulations**"), which regulate *inter alia* the recognition, ownership and governance of stock exchanges and clearing corporations in India together with providing for minimum net-worth requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Regulations along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by listed companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

### BSE

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, with effect from August 19, 2005, BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017.

### NSE

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000. NSE launched the NSE 50 Index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996.

### Listing and delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013 the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI including the SEBI ICDR Regulations and the SEBI Listing Regulations, as well as pursuant to the listing agreements entered into by our Company with the Stock Exchanges. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

Delisting of equity shares from the stock exchanges, whether by way of a compulsory or a voluntary delisting, is governed by the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended (the "**Delisting Regulations**"). Following a compulsory delisting of equity shares, a company, its executive directors, its promoters, person(s) responsible for ensuring compliance with the securities laws and the companies promoted by any of them cannot directly or indirectly access the securities market or seek listing of any equity shares for a period of 10 years from the date of such delisting. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

**Minimum Level of Public Shareholding**

All listed companies (except exempted public sector undertakings) are required to maintain a minimum public shareholding of 25%. Where the public shareholding in a listed company falls below 25% at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of such the public shareholding having fallen below the 25% threshold. Consequently, a listed company may be delisted from the Stock Exchanges for not complying with the above-mentioned requirements. Our Company is in compliance with this minimum public shareholding requirement.

**Disclosures under the Companies Act and securities regulations**

Under the Companies Act, 2013 a public offering of securities in India must be made by means of a prospectus, which must contain information specified in the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the SEBI ICDR Regulations. The prospectus must be filed with the relevant registrar of companies having jurisdiction over the place where a company's registered office is situated. A company's directors and promoters shall be subject to civil and criminal liability for misrepresentation in a prospectus. The Companies Act, 2013 also sets forth procedures for the acceptance of subscriptions and payment of commission rates for the sale of securities. Pursuant to the provisions of the SEBI Act, SEBI has issued detailed guidelines concerning disclosures by public companies and to further investor protection. The SEBI ICDR Regulations permit companies to price their domestic issues of securities in consultation with the lead merchant banker or through the book building process.

Public limited companies are required under the Companies Act, 2013 and other applicable guidelines to prepare, file with the RoC and circulate to their shareholders audited annual accounts which comply with the Companies Act's disclosure requirements and regulations governing their manner of presentation and which include sections pertaining to corporate governance, related party transactions and the management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations. Accordingly, companies are required to publish unaudited financial results (subject to a limited review by the company's auditors) on a quarterly basis and are required to inform stock exchanges immediately regarding any unpublished price sensitive information.

**Insider Trading Regulations**

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended (the "**Insider Trading Regulations**") have been notified by SEBI to amongst other things, prohibit and penalize insider trading in India and prohibit dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**").

The Insider Trading Regulations also impose certain restrictions on the communication of UPSI relating to a company or securities listed or proposed to be listed. In terms of the Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. It also provides disclosure obligations for promoters, employees and directors, with regard to their shareholding in the company, and the changes therein. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the Insider Trading Regulations.

The Insider Trading Regulations define the term "unpublished price sensitive information" to mean any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of its securities and ordinarily includes but not restricted to information relating to the following: (a) financial results; (b) dividends; (c) change in capital structure; (d) mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions; and (e) changes in key managerial personnel. Further, in terms of the Insider Trading Regulations, "generally available information" is defined as information that is accessible to the public on a non-discriminatory basis. An "insider" means any person who is i) a connected person; or ii) in possession of or having access to unpublished price sensitive information. The term "connected person" means any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity, including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holding any position, including a professional or business relationship between himself and the company, whether temporary or permanent, that allows such person, directly or indirectly, to have access to unpublished price sensitive information or is reasonably expected to allow such access.

The Insider Trading Regulations make it compulsory for listed companies and certain other entities (including fiduciaries and intermediaries) that are required to handle UPSI in the course of business operations to establish (i) an internal code of practices and procedures for fair disclosure of UPSI; (ii) an internal code to regulate, monitor and report trading by designated persons and immediate relatives of designated persons; and (iii) a policy for procedures to be adopted by a company in case of any leak of UPSI. There are also initial and continuing shareholding disclosure obligations under the Insider Trading Regulations.

**Index-Based Market-Wide Circuit Breaker System**

In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a coordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of BSE or the NIFTY 50 of NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 20% movements either up or down, for all scrips in the compulsory rolling settlement. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

**Settlement**

The stock exchanges in India operate on a trading day plus one, or T+1 rolling settlement system. At the end of the T+1 period, obligations are settled with buyers of securities paying for and receiving securities, while sellers transfer and receive payment for securities. For example, trades executed on a Monday would typically be settled on a Tuesday.

**Trading Hours**

Trading on both BSE and NSE normally occurs from Monday through Friday between 9:15 a.m. IST and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9.00 a.m. IST to 9.15 a.m. IST that has been introduced). BSE and NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

**Internet-Based Securities Trading and Security Trading using Wireless Technology Services**

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. This permits clients throughout the country to trade using brokers' internet trading systems. Stock brokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated under applicable law. NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of NSE.

**Trading Procedure**

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading ("**BOLT**") facility in 1995. This totally automated screen based trading in securities was put into practice nationwide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation trading platform, BOLT Plus.

NSE has introduced a fully automated trading system called National Exchange for Automated Trading ("**NEAT**"), which operates on strict time / price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

**Depositories**

The Depositories Act, 1996 provides a legal framework for the establishment of depositories to record ownership details and effect transfers in electronic book-entry form. Further, SEBI has framed the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 in relation to, among other things, the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners.

**Takeover Regulations**

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the specific regulations in relation to substantial acquisition of shares and takeover. After listing on the stock exchanges, the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (the "**Takeover Regulations**") will apply to our Company, which provide specific regulations in relation to substantial acquisition of shares and takeovers. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The Takeover Regulations prescribes

certain thresholds or trigger points in the shareholding that a person or entity (along with persons acting in concert with such person or entity) has in the listed Indian company, which give rise to certain obligations on the part of the acquirer. Acquisition of shares or voting rights up to a certain threshold prescribed under the Takeover Regulations mandate specific disclosure requirements, while acquisitions (direct or indirect, along with persons acting in concert with such acquirer) crossing particular thresholds may result in the acquirer having to make an open offer for the shares of the target company.

**Buy-back**

A company may buy-back its shares subject to compliance with the requirements of Section 68 of the Companies Act, 2013, as amended and the SEBI (Buy-back of Securities) Regulations 2018, as amended. Under Section 68 of the Companies Act, 2013, as amended, a company may buy-back its shares out of its free reserves or securities premium account or the proceeds of the issue of any shares or other specified securities, other than proceeds of an earlier issue of the same kind of shares or same kind of other specified securities.

**Derivatives (Futures and Options)**

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

## DESCRIPTION OF THE EQUITY SHARES

*The following is the information relating to the Equity Shares including a brief summary of the Memorandum of Association and Articles of Association and the Companies Act, 2013. The prospective investors are urged to read the Memorandum of Association and Articles of Association carefully, and consult with their advisers, as the Memorandum of Association and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.*

### Share capital

The authorised share capital of the Company is ₹ 11,250,000,000 comprising of 250,000,000 Equity Shares (of face value of ₹5 each) and 2,000,000,000 Preference Shares (of face value of ₹5 each). As on the date of this Preliminary Placement Document, the issued, subscribed and paid-up capital of the Company is ₹ 76,71,12,730 comprising of 15,34,22,546 Equity Shares (of face value of ₹5 each). The Equity Shares are listed on BSE and NSE.

### Main objects of our Company

1. To carry on either as manufacturers, processors, traders, dealers, exporters, importers, warehousing agents, commission agents, owners, agents, conductors, loan licensers, loan licenses, re packagers, or factors, and either wholesale or retail, of chemicals, bulk drugs, chemical intermediaries, and other pharmaceutical and veterinary products including allopathic, ayurvedic, homeopathic and Unani or Combinations thereof, patent medicines, scientific chemicals, organic, Inorganic, biological, immunological, and therapeutic and surgical preparations, antibiotics, herbal and veterinary medicines and surgical equipment.

2. To establish, undertake, develop, maintain, or otherwise subsidise Research & Development Laboratories research centres or institutions, medical centres, experimental workshops for scientific, technical, bio-technological, chemical, peptide, Novel Drug technologies, Novel Drug Discoveries, pharmacological, toxicological research, development and experiments and to undertake and carry on with scientific and technical research of all kinds and clinical trials on animals and humans and scientific investigations and inventions by providing or subsidising, undertaking or supporting, endowing or assisting laboratories, workshops, research institutions, libraries, lectures, meetings and conferences, Research and Development programmes and scientists in India and worldwide and hold meetings, exhibitions, conferences and seminars in all fields of medicines and science.

### Dividends

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of its shareholders at the annual general meeting of its shareholders. The shareholders have the right to decrease but not increase the dividend amount recommended by the board of directors. Dividends are generally declared as a percentage of par value (on per share basis) and distributed and paid to shareholders. The Companies Act provides that shares of the same class of a company must receive equal dividend treatment.

These distributions and payments are required to be paid to or claimed by shareholders within 30 days of the date of declaration of dividend. The Companies Act states that any dividends that remain unpaid or unclaimed after that period are to be transferred to a special bank account within seven days from the date of expiry of the period of 30 days. Any dividend amount that remains unclaimed for seven years from the date of such transfer is to be transferred by our Company to a fund, called the Investor Education and Protection Fund, created by the Government of India.

The Articles authorize the Board to pay to the members such interim dividends as in their judgement the position of our Company justifies. Under the Companies Act, dividends payable can be paid only in cash to the registered shareholder at a record date fixed prior to the relevant AGM, to his order or to the order of his banker. However, any dividend payable in cash may be paid by cheque or warrant or in any electronic mode to the shareholder entitled to the payment of the dividend.

No dividend shall be payable except out of the profits of the year or any other undistributed profits of the Company, or otherwise than in accordance with the provisions of the Act and no dividend shall carry interest as against the Company.

### Bonus shares

In addition to permitting dividends to be paid as described above, the Companies Act, permits the Board, subject to the approval of the Shareholders of our Company, to distribute to the Shareholders, in the form of fully paid-up bonus shares, an amount transferred from the company's free reserves, securities premium account or the capital redemption reserve account. These bonus equity shares must be distributed to the Shareholders in proportion to the number of equity shares owned by them.

Bonus shares can only be issued if the company has not defaulted in payments of statutory dues of the employees, such as, contribution to provident fund, gratuity and bonus or principal/interest payments on fixed deposits or debt securities issued by it. Bonus shares shall not be issued in lieu of dividend.

**Pre-emptive rights and offer of additional shares**

The Companies Act, gives shareholders the right to subscribe for new shares in proportion to their existing shareholdings unless otherwise determined by a resolution passed members who, being entitled so to do, vote in person or by proxy or by postal ballot, are required to be not less than three times the number of the votes, if any, cast against the resolution by members so entitled and voting. Under the Companies Act and the Articles, in the event of an issuance of securities, subject to the limitations set forth above, our Company must first offer the new Equity Shares to the holders of Equity Shares at the date of offer. The offer shall be made by notice specifying the number of Equity Shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. The offer, required to be made by notice, shall include a statement that the right exercisable by the Shareholders to renounce the Equity Shares offered in favour of any other person.

Our Board is permitted to dispose the Equity Shares not accepted by existing shareholders in such manner which is not disadvantageous to the Shareholders and our Company, in accordance with the Articles.

**Issuance of preference shares**

Subject to Section 80 of the Companies Act, and in accordance with the Articles, any new shares may be issued as redeemable preference shares which are liable to be redeemed in any manner permissible under the Companies Act.

**General meetings of shareholders**

There are two types of general meetings of shareholders: (i) AGM; and (ii) EGM. Our Company must hold its AGM within six months after the expiry of each Fiscal provided that not more than 15 months shall elapse between the AGM and next one, unless extended by the RoC at its request for any special reason for a period not exceeding three months. Our Board may convene an EGM when necessary or at the request of Shareholders in accordance with the Companies Act. Written notice or notice via electronic mode means setting out the business to be transacted at the meeting must be given at least 21 days prior to the date set for the general meeting to the Shareholders. Shorter notice is permitted if consent is received from 95% of the Shareholders entitled to vote at such meeting. Five Shareholders or such other number of Shareholders as required under the Companies Act or applicable law personally present shall constitute quorum for a general meeting.

**Buy-back**

Our Company may buy back its own Equity Shares or other specified securities subject to the provisions of the Companies Act and any related SEBI guidelines issued in connection therewith.

**Voting rights**

A shareholder has one vote for each equity share and voting may be on a poll or through electronic means or postal ballot.

Ordinary resolutions may be passed by simple majority if the votes cast in favour exceeds the votes cast against the resolution. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution.

A shareholder may exercise his voting rights by proxy to be given in the form required by the Companies Act read with the rules issued thereunder. The instrument appointing a proxy is required to be lodged with our Company at least 48 hours before the time of the meeting.

**Transfer and transmission of shares**

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are subject to STT (levied on and collected by the stock exchanges on which such equity shares are sold), however, are exempt from stamp duty. Our Company has entered into an agreement for such depository services with the Depositories. SEBI requires that the shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. Our Company shall keep a book in which every transfer or transmission of shares will be entered.

Pursuant to the SEBI Listing Regulations, except in case of transmission or transposition of Equity Shares, requests for effecting transfer of Equity Shares shall not be processed unless the Equity Shares are held in dematerialized form with a depository.

The Equity Shares shall be freely transferable, subject to applicable laws.

**Winding up**

Our Articles of Association provide that on winding up, the liquidator may, with the sanction of a special resolution and any other sanction required under the Companies Act, divide amongst the members, in specie or kind, the whole or any part of the assets of our Company and vest the whole or any part of the assets of the Company in trustees upon such trust for the benefit of the contributories if considered necessary.

## TAXATION

## STATEMENT OF TAXATION ASPECTS OF ELIGIBLE SECURITIES

To,
**The Board of Directors**
**Wockhardt Limited**
Wockhardt Towers
Bandra Kurla Complex, Bandra (East)
Mumbai - 400051
Maharashtra, India

**Sub: Statement of taxation aspects in relation to eligible securities ("the Statement") applicable to Wockhardt Limited (the "Company"), its shareholders and its Material Subsidiaries, prepared in connection with the proposed qualified institutions placement of equity shares of face value of INR 5 each of the Company (the "Proposed Issue"), in accordance with the requirements under Schedule VII(18) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ('SEBI ICDR Regulations').**

1. We, M S K B & Associates LLP, Chartered Accountants ("We" or "Us" or "Our" or "M S K B" or "**the Firm**"), hereby confirm the enclosed Statement in Annexure II, prepared and issued by the Company, which provides the taxation aspects of eligible securities under direct and indirect laws presently in force in India, including Income-tax Act, 1961, Income-tax Rules, 1962, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Special Economic Zones Act, 2005, Customs Act, 1962 and The Customs Tariff Act, 1975 (collectively the " **Indian Taxation Laws**"), the rules, regulations, circulars and notifications issued thereon, as amended by the Finance Act, 2024, as applicable to the assessment year 2025-26 relevant to the financial year 2024-25, available to the Company, its shareholders, and its Material Subsidiaries, which are defined in **Annexure I** (List of Material Subsidiaries considered as part of the Statement) ("**Material Subsidiaries**"), identified as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Such taxation aspects are dependent on the Company, its shareholders and Material Subsidiaries, as the case may be, fulfilling the conditions prescribed under the relevant provisions of the Indian Taxation Laws. Hence, the ability of the Company, its shareholders and Material Subsidiaries to become eligible to be governed by such taxation aspects is dependent upon their fulfilling such conditions, which based on business imperatives the Company, its shareholders and Material Subsidiaries face in the future, the Company, its shareholders and Material Subsidiaries may or may not choose to fulfil.

2. This Statement is not exhaustive and it covers the taxation aspects of eligible securities only as applicable to the company, its shareholders and Material Subsidiaries. The enclosed Statement does not cover general taxation aspects of the Company, its shareholders or its Material Subsidiaries. The preparation of the contents in the Statement is the responsibility of the Company's management. We are informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the distinct nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue and we shall in no way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of the Statement. Also, any tax information included in this written communication was not intended or written to be used, and it cannot be used by the Company or the investor, for the purpose of avoiding any penalties that may be imposed by any regulatory, governmental taxing authority or agency.

3. In respect of non-residents, the tax rates and the consequent taxation shall be further subject to taxation aspects of eligible securities prescribed under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

4. We conducted our examination in accordance with the "Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)" (the "**Guidance Note**") issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

5. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.

6. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.
7. We do not express any opinion or provide any assurance whether:

- The Company, its shareholders and Material Subsidiaries will continue to obtain these benefits in future;
- The conditions prescribed for availing the benefits have been/would be met; and
- The revenue authorities/courts will concur with the views expressed herein.

8. The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. We have relied upon the information and documents of the Company being true, correct, and complete and have not audited or tested them. We have not verified the taxation aspects of eligible securities applicable to the list of Material Subsidiaries given in Annexure I. The taxation aspects of eligible securities for the list of Material Subsidiaries given in Annexure I has been verified by the auditors/ accountants of the respective Material Subsidiaries, whose reports have been furnished to us by the management of the Company. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our Firm or any of partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or non-tax, monetary or non-monetary, effects or liabilities (consequential, indirect, punitive or incidental) before any authority/ otherwise within or outside India arising from the supply of incorrect or incomplete information of the Company, its shareholders or Material Subsidiaries.

9. This Statement is addressed to the Board of Directors of the Company and issued at specific request of the Company. The enclosed Annexure to this Statement is intended solely for your information and for inclusion in the Preliminary Placement Document, Placement Document and any other material in connection with the proposed offering of equity shares of the Company, and is not to be used, referred to or distributed for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. Any subsequent amendment/ modification to provisions of the applicable laws may have an impact on the views contained in our statement. While reasonable care has been taken in the preparation of this certificate, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.

**For M S K B & Associates LLP**
**Chartered Accountants**
**Firm Registration Number: W100293**

**Krunal Tate**
**Partner**
**Membership No: 135731**
**UDIN: 24135731BKCKWU1466**

**Place: Mumbai**
**Date: November 6, 2024**

**ANNEXURE I - LIST OF MATERIAL SUBSIDIARIES CONSIDERED AS PART OF THE STATEMENT (Note 1)**

| Name of Material Subsidiary | Date of Statement of Tax Benefits | Name of other auditor/ accountant |
|---|---|---|
| i. Wockhardt Bio AG, Switzerland | November 6, 2024 | BDO AG, Switzerland |
| ii. CP Pharmaceuticals Limited, United Kingdom | November 6, 2024 | Menzies LLP |
| iii. Pinewood Laboratories Limited, Ireland | October 25, 2024 | BDO, Ireland |
| iv. Wockpharma Ireland Limited, Ireland | October 25, 2024 | BDO, Ireland |
| v. Wockhardt UK Limited, United Kingdom | November 6, 2024 | Menzies LLP |
| vi. Morton Grove Pharmaceuticals Inc, United States | November 6, 2024 | Harshil Patel & Co. |
| vii. Wockhardt USA LLC, United States | November 6, 2024 | Harshil Patel & Co. |

Note 1: Material subsidiaries identified in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended includes a subsidiary whose income or net worth in the immediately preceding year (i.e. March 31, 2024) exceeds 10% of the consolidated income or consolidated net worth respectively, of the holding company and its subsidiaries in the immediately preceding year.

## ANNEXURE II - STATEMENT

**STATEMENT OF TAXATION ASPECTS IN RELATION TO ELIGIBLE SECURITIES APPLICABLE TO WOCKHARDT LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS AS PER INDIAN TAXATION LAWS, AND ITS MATERIAL SUBSIDIARIES UNDER THE APPLICABLE DIRECT AND INDIRECT TAXES OF ITS JURISDICTION OF INCORPORATION**

Outlined below are the taxation aspects in relation to eligible securities applicable to the Company and its shareholders under the Indian Taxation Laws and its material subsidiaries under the respective direct tax and indirect tax laws in jurisdictions of material subsidiaries (together referred to as "Tax Laws") applicable for the Financial Year 2024-25 presently in force in India and respective Jurisdictions of material subsidiaries as on the signing date. Applicability of these taxation aspects are dependent on the Company, its Material Subsidiaries or its shareholders fulfilling the conditions prescribed under the Tax Laws. Hence, the ability of the Company, its Material Subsidiaries or its shareholders to derive the taxation aspects is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfill.

### I. Taxation aspects of eligible securities applicable to the Company

**Deduction under Section 35(2AB)**

The Company has duly approved Research and Development Center (said unit') located at D-4, MIDC Area, Chikalthana, Aurangabad, Maharashtra. The company had made application for renewal of the approval to DSIR authorities and the said order is valid up to March 31, 2024. The company is in process of filing application for approval of its research and development center with DSIR authorities for the Financial Year 2024-25. The said unit is eligible to claim weighted deduction under section 35(2AB) of the Income tax Act, 1961 ('ITA'). Presently, no weighted deduction of revenue expenditure is available under the said provision. The said R&D unit is also entitled for the concessional GST rate of 5% on procurement of specified goods required for the research purposes.

**Deduction in respect of inter-corporate dividends – Section 80M of the ITA**

Up to 31st March, 2020, any dividend paid to a shareholder by a company was liable to Dividend Distribution Tax ("DDT"), and the recipient shareholder was exempt from tax. Pursuant to the amendment made by the Finance Act, 2020, DDT stands abolished and dividend received by a shareholder on or after 1st April, 2020 is liable to tax in the hands of the shareholder. The Company is required to deduct Tax Deducted at Source ("TDS") at applicable rate specified under the Act read with applicable Double Taxation Avoidance Agreement (if any).

With respect to a resident corporate shareholder, a new section 80M has been inserted in the ITA to remove the cascading effect of taxes on inter-corporate dividends during FY 2020-21 and thereafter. The section provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date. The "due date" means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139 of the ITA.

The Company will not avail the benefit of section 80M for the Financial Year 2024-25 (Assessment Year 2025-26).

**Deduction in respect of employment of new employees-Section 80JJAA of the IT Act**

Subject to fulfilment of prescribed conditions, the Company is entitled to claim deduction, under the provisions of Section 80JJAA of the ITA, of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for those assessment years including the assessment year relevant to the previous year in which such cost (relating to specified category of employees)incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided. However, the Company have not availed any benefit under the above section.

**Buyback of shares by the Company**

In accordance with the provisions of section 115QA of the ITA, in case of buy-back of shares from its shareholders, the company is liable for additional tax at the rate of 20% (to be increased by applicable surcharge and cess) on the consideration paid by the company on buyback of shares, as reduced by the amount received by the company on the issue of such shares, determined in the manner prescribed under Rule 40BB of the Income Tax Rules, 1962. Also, such Buy Back Tax has to be paid by the company over and above the tax paid by it, if any, on its total income. Buy Back Tax is levied at the level of the company, the

consequential income arising in the hands of shareholders is exempt from tax, as per Section 10(34A) of the ITA. The aforesaid provisions are applicable before October 1, 2024.

With effect from October 1, 2024, Finance Act (No.2), 2024 has abolished section 115QA of the ITA resulting, tax payable by the company on buy-back of shares will no longer apply. However, buy-back consideration received by the shareholders will be taxable in their hands as deemed dividend u/s 2(22)(f) of the Act. Accordingly, Company would be required to deduct tax at source as per as per Section 194 of the ITA read with applicable Double Taxation Avoidance Agreement (if any).

**Indirect Tax**

**1. Exemption available to Special Economic Zone Unit ("SEZ"):**

In accordance with the provision of section 26 (1) of the Special Economic Zones Act, 2005, SEZ units are exempt from customs duty on import of goods and/or services for use in authorized operations, subject to other conditions.

As per Notification 64-2017 – Customs dated 5 July 2017, all goods imported for authorised operations by a unit or a developer in the Special Economic Zone (SEZ) are exempted from the Integrated Tax leviable as Import Duty u/s 3(7) of the Tariff Act read with Section 5 of the IGST Act, 2017.

Similarly, as per Notification 18/2017- Integrated Tax (Rate) dated 5 July 2017, services imported for authorised operations by a unit or a developer in the Special Economic Zone (SEZ) are exempted from the Integrated Tax payable thereon.

**2. Exemption available to Export Oriented Unit ("EOU"):**

- EOU scheme was introduced with an aim to promote exports, enhance foreign exchange earnings, attract investment for export production and employment generation.

- The Central Government has exempted import of goods, including capital goods and/or procurement from bonded warehouse from the whole of customs duty, integrated tax and compensation cess leviable under the Customs Tariff Act, 1975 for the purpose of manufacture of articles for export vide **Notification No. 52/03-Cus. dated March 31, 2003** as amended from time to time.

**3. Zero rated supplies of goods and services or both under Section 16 of IGST Act, 2017**

Under the GST laws, the supply of goods or services or both to a Special Economic Zone developer or a Special Economic Zone or export of goods or services or both is treated as a 'zero rated supply' i.e. the goods or services exported shall be exempted or refunded of GST levied upon them, subject to fulfilment of terms and conditions.

**II. Taxation aspects of eligible securities applicable to Material Subsidiaries of the Company**

**a) Wockhardt Bio AG - Switzerland**

- Cantonal and communal taxes

The tax benefits on confirmed step-up amount relating to the lowering of future profit relating to the existing business can be amortized under the cantonal and communal taxes effectively within a maximum of 5 years after the Swiss tax reforms coming into effect from 1 January 2020 or up to and including the tax period 2024 (in case the tax period does not match the calendar year, the full calendar year is applicable). The amortization is subject to maximum tax relief of 70% of the taxable profit before such amortization, before deduction of any other tax reliefs and loss set-off and excluding the net investment income from qualifying investments.

- Direct federal taxes

The tax benefits on confirmed step-up amount relating to the lowering of future profit relating to the existing business can be amortized under the direct federal taxes effectively within a maximum of 10 years after the Swiss tax reforms coming into effect from 1 January 2020 or up to and including the tax period 2029 (in case the tax period does not match the calendar, for 2024 the full calendar year is applicable). For direct federal tax purposes there is no maximum tax relief stipulated relating to the step-up for principal companies. The maximum potential tax relief is subject to the taxed hidden reserves confirmation by the Swiss Federal Tax Administration and the tax free allocation quota (not more than 35%) in the final tax assessment process.

- Swiss VAT Regulation

There are no special tax benefits availed/ to be availed under the Swiss VAT regulations.

- Shareholders

There are no special tax benefits available under the Swiss Cantonal and Communal Taxes and Direct Federal Taxes or under the Swiss VAT regulations.

**b) CP Pharmaceuticals Limited - United Kingdom**

- Research & Development Expenditure

Research and Development (R&D) expenditure credit (RDEC) is available to claim, which is calculated at 20% on the Company's qualifying R&D expenditure incurred from 1 April 2023. This benefit is not relating to a particular period and may be claimed in future years' if the credit continues to be made available. A claim must be made within 2 years from the end of an accounting period and after this no such claim for a period is allowed to be submitted.

- Indirect tax

There are no indirect tax related aspects of eligible securities .

**c) Pinewood Laboratories Limited - Ireland**

- Company

There should be no tax benefits available under Irish Tax Law. There should be no special tax benefits available / to be availed under the Value-Added Tax Consolidation Act 2010 (VATCA 2010).

- Shareholders

There should be no tax benefits available under Irish Tax Law. There should be no special tax benefits available / to be availed under the Value-Added Tax Consolidation Act 2010 (VATCA 2010).

**d) Wockpharma Ireland Limited - Ireland**

- Company

There should be no tax benefits available under Irish Tax Law. There should be no special tax benefits available / to be availed under the Value-Added Tax Consolidation Act 2010 (VATCA 2010).

- Shareholders

There should be no tax benefits available under Irish Tax Law. There should be no special tax benefits available / to be availed under the Value-Added Tax Consolidation Act 2010 (VATCA 2010).

**e) Wockhardt UK Limited - United Kingdom**

There are no direct or indirect tax related aspects of eligible securities .

**f) Morton Grove Pharmaceuticals Inc - United States**

There are no special tax benefits availed/ to be availed under US tax law for MGP (outside of general tax benefits)

**g) Wockhardt USA LLC- United States**

There are no special tax benefits availed/ to be availed under US tax law for WUSA (outside of general tax benefits).

**III. Taxation aspects of eligible securities applicable to shareholders of the Company**

- Dividend Income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of domestic corporate shareholders, deduction under Section 80M of the ITA would be available on fulfilling the conditions (as discussed above). Further, in case of shareholders who are individuals, Hindu Undivided Family, Association of

Persons, Body of Individuals, whether incorporated or not and every artificial juridical person, surcharge would be restricted to 15%, irrespective of the amount of dividend.

- As per Section 112A of the ITA, long-term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 10% (without indexation) before July 23, 2024, post that it would be taxed at 12.5% (without indexation) of such capital gains subject to fulfilment of prescribed conditions under the ITA as well as per Notification No. 60/2018/F. No.370142/9/2017-TPL dated 1 October 2018. It is worthwhile to note that tax shall be levied only where such capital gains exceed INR 125,000.

- As per Section 111A of the ITA, short term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 15% before July 23, 2024, post that it would be taxed at 20% subject to fulfilment of prescribed conditions under the ITA.

- In respect of non-resident shareholders, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

- Where the gains arising on transfer of shares of the Company are included in the business income of a shareholder and assessable under the head "Profits and Gains from Business or Profession" and such transfer is subjected to STT, then such STT shall be a deductible expense from the business income as per the provisions of section 36(1)(xv) of the IT Act.

- As regards the shareholders that are Mutual Funds, under section 10(23D) of the ITA, any income earned by a Mutual Fund registered under the Securities and Exchange Board of India Act, 1992, or a Mutual Fund set up by a public sector bank or a public financial institution, or a Mutual Fund authorised by the Reserve Bank of India would be exempt from income-tax, subject to such conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

Notes

1. Eligible securities refer to equity shares of face value of INR 5 each
2. This Annexure sets out the taxation aspects of eligible securities applicable to the Company, its Material Subsidiaries and the shareholders under the below mentioned tax laws currently in force in the jurisdiction of the respective entities

| Name of Entity | Tax laws considered |
|---|---|
| Wockhardt Limited, India | — Income-tax Act, 1961 and Income-tax Rules, 1962<br>— Central Goods and Services Tax Act, 2017<br>— Integrated Goods and Services Tax Act, 2017<br>— Goods and Services Tax legislations as promulgated by various states<br>— The Special Economic Zones Act, 2005<br>— Customs Act, 1962<br>— Customs Tariff Act, 1975 |
| Pinewood Laboratories Limited<br>Wockphharma Ireland Limited | — Taxes Consolidation Act, 1997<br>— Value-Added Tax Consolidation Act 2010 |
| Wockhardt UK Limited, UK<br>CP Pharma Limited, UK | — Income Tax Act, 2007<br>— The Value Added Tax Act 1994<br>— Corporation Tax Act 2010 |
| Wockhardt Bio AG, Switzerland | — Swiss Cantonal and Communal and Federal Direct Taxes<br>— Swiss Value Added Tax Act |
| Morton Grove Pharmaceuticals Inc<br>Wockhardt USA LLC | — Internal Revenue Code of 1986, As Amended |

3. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.
4. The above Statement sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of Equity Shares.
5. This Annexure is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax arising out of their participation in the proposed rights issue.
6. This Statement does not discuss any tax consequences in any country outside India of an investment in the Equity Shares. The subscribers of the Equity Shares in the country other than India are urged to consult their own professional advisers regarding income tax consequences that apply to them.

**For Wockhardt Limited**

**Name:** Parag Ashar
**Designation:** General Manager - Finance
**Place:** Mumbai, Maharashtra
**Date:** November 6, 2024

## LEGAL PROCEEDINGS

*Our Company is involved in various legal proceedings from time to time, mostly arising in the ordinary course of business. These legal proceedings are primarily in the nature of, amongst others, tax disputes and civil proceedings, which are pending before various adjudicating forums.*

*As on the date of this Preliminary Placement Document, except as disclosed below, there is no outstanding legal proceeding which has been considered material in accordance with our Company's policy in relation to disclosure of material events framed in accordance with Regulation 30 of the SEBI Listing Regulations and adopted by the Board.*

*Except as disclosed in this section, such disclosures, having been made solely for the purpose of the Issue in accordance with the resolution passed by our Capital Raising Committee dated November 6, 2024, there are no:*

*(i) outstanding criminal proceedings involving our Company, our Subsidiaries, our Directors, and our Promoters (collectively, "**Relevant Parties**");*

*(ii) outstanding actions (including show-cause notices) initiated by any regulatory and/or statutory authorities such as SEBI, the RBI or such similar authorities or stock exchanges, involving the Relevant Parties;*

*(iii) outstanding civil proceedings involving the Relevant Parties, where the amount involved in such proceeding exceeds ₹ 22.87 crores (**"Materiality Threshold"**), being 5% of the average of absolute value of profit or loss after tax, as per the Company's audited consolidated financial statements for Fiscals 2024, 2023 and 2022;*

*(iv) outstanding direct and indirect tax matters involving the Relevant Parties, disclosed in a consolidated manner;*

*(v) any other outstanding litigation involving the Relevant Parties wherein the amount involved cannot be determined or is below the Materiality Threshold, but an adverse outcome of which could, individually or in the aggregate, materially and adversely affect the reputation, operations or financial position of our Company on a consolidated basis;*

*(vi) any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoters during the last three years immediately preceding the year of circulation of the Preliminary Placement Document and the Placement Document (together, **"Issue Documents"**) and directions, if any, issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action;*

*(vii) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 in the last three years immediately preceding the year of circulation of the Issue Documents involving our Company or our Subsidiaries, or any prosecutions filed (whether pending or not), fines imposed or compounding of offences in the last three years immediately preceding the year of the Issue Documents involving our Company or our Subsidiaries;*

*(viii) defaults by our Company or our Subsidiaries, including therein the amount involved, duration of default and present status in repayment of (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interests thereon; and (d) any loan obtained from any bank or financial institution and interest thereon by our Company or our Subsidiaries, as of the date of the Issue Documents;*

*(ix) material frauds committed against the Company in the last three years;*

*(x) defaults in annual filing of our Company or our Subsidiaries under the Companies Act, 2013 and the rules made thereunder; and*

*(xi) significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company on a consolidated basis.*

*Further, pre-litigation notices received by any of the Relevant Parties from third parties (excluding statutory/ regulatory/ governmental authorities or notices threatening criminal action) shall not be considered as litigation proceedings and accordingly, shall not be disclosed in the Issue Documents till such time that any of the Relevant Parties are impleaded as parties in any such litigation proceedings before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.*

*Capitalised terms used herein shall, unless otherwise specified, have the meanings ascribed to such terms in this section.*

## A. Litigation involving our Company

*Outstanding criminal litigation involving our Company*

1. The Drug Inspector, Thane ("**Inspector**") filed a complaint before the Judicial Magistrate, First Class, WADA, District Thane ("**JMFC**") against our Company, among others, pursuant to an inspection on the premises of the Company in Thane on December 15, 2004, wherein it was alleged that our Company did not have adequate details of purchase and sale of certain drugs, including "Spasmopoxyvon", "Proxyvon", "Butaproxyvon", among others ("**Complaint**"). The Inspector alleged that our Company and others accused in the Compliant have contravened the provisions of the Drug and Cosmetics Act, 1940 ("**DCA**") by supplying products without verifying the payers' details, falsified sale records and had failed to furnish information regarding the sale of certain drugs. The JMFC passed an order dated March 19, 2008 ("**Order**") issuing process. Thereafter, our Company filed separate criminal revision petitions under the relevant provisions of the Code of Criminal Procedure, 1973, as amended against the Order. The criminal revision application of our Company was dismissed by separate judgements dated September 21, 2010, by the Court of Extra Joint Ad hoc Additional Sessions Judge, Thane. The matter is currently pending.

2. The Drug Inspector, Office of Deputy Director, Food and Drug Administration, Durg, Chhattisgarh filed a criminal complaint dated January 29, 2013 against our Company and others ("**Respondents**"), before the Court of the Chief Judicial Magistrate, Durg, Raipur alleging that the drug 'Inj. Atrowok' was of sub-standard level as declared by the Government Analyst, Kolkata, resulting in commission of an offence under Section 18(a)(i) of the Drug and Cosmetics Act, 1940. The matter was listed for appearance and is currently pending.

3. The Drug Inspector, Srinagar, Jammu and Kashmir filed a criminal complaint against our Company and others ("**Respondents**"), before the Court of the Chief Judicial Magistrate, Srinagar, Jammu and Kashmir alleging the sale of sub-standard quality drug 'CefiWok XL-200', resulting in commission of an offence under Section 18(a)(i) of the Drug and Cosmetics Act 1940. The matter is currently pending.

4. The Drug Inspector, Food & Drugs Administration, Greater Mumbai Division ("**Respondent**") filed a criminal complaint ("**Complaint**") against our Company and others before the Metropolitan Magistrate Court, 15th Court, Mazgaon, Mumbai ("**MM Court**") alleging the manufacture and sale of a sub-standard quality drug 'Decdan' by our Company, resulting in commission of an offence under section 18(a)(i) of the Drug and Cosmetics Act 1940 ("**DCA**"). Subsequently, MM court passed an order on January 23, 2009 (**"Order"**) and issued process against our Company for contravention of the provisions of the DCA. Our Company filed a criminal application dated July 9, 2009 before the High Court of Bombay (**"High Court"**) challenging the Order on the grounds that, *inter alia*, (i) our Company is not a manufacturer and merely a distributor of the drug 'Decdan'; (ii) the Order and the Complaint is bad in law; (iii) the Company is not in violation of section 18(a)(i) of the DCA as the Company satisfies the conditions prescribed in section 19(3) of the DCA. The Company prayed, *inter alia*, (i) to quash and set aside the Order; and (ii) to direct the MM to stay the proceedings pending before it. The matter is currently pending.

5. On August 20, 1999, our Company and Tanishq Pharmaceuticals ("**Tanishq**") entered into an agreement ("**Agreement**") whereby Tanishq was appointed as an agent for the purpose of carrying, storing, and forwarding our Company's products. Subsequently, our Company filed a criminal complaint against S.K. Agarwal (proprietor of Tanishq), and Tanishq (together, "**Respondents**") before the Court of Judicial Magistrate, Ghaziabad (**"Court"**), alleging that upon termination of the Agreement, the Respondents unlawfully withheld lifesaving medicines with limited shelf life, despite continuous demands by our Company for the return of the stock. Our Company in its prayer requested the Court to allow the application under section 156(3) of the Code of Criminal Procedure, 1973 ("**CrPC**"), section 91 read with section 94 of the CrPC allowing the seizure of the goods withheld by the Respondents and give directions under section 457 of the CrPC to deliver the perishable products taken into custody by the authorities to our Company. The matter is currently pending.

6. Based on the publicly available information, our Company filed a complaint against Purbasha on May 26, 2003, before the Chief Judicial Magistrate, Alipur. Subsequently, the case has been declared dormant.

7. Certain criminal cases have been filed by the Company against various parties in relation to alleged violations arising in the ordinary course of our business operations, especially in relation to dishonour of cheques and recovery of amount, under, among others, the Indian Penal Code, 1860, Code of Criminal Procedure, 1973 and the Negotiable Instruments Act, 1881. These matters are currently pending at various stages of adjudication.

*Material Civil Proceedings involving our Company*

1. Our Company entered into a clearing and forwarding agency agreement with T.A.I. Pharma Limited ("**Defendant**") wherein the Defendant was responsible for importing of stock and selling and distribution of products manufactured by our Company in the territory of Russia. Our Company had supplied diverse products to the Defendant and raised multiple invoices and drew bills of exchange in favour of the Defendant which were accepted by the Defendant. However, the Defendant avoided to pay the dues of the Company and thus, our Company had filed the suit for a sum of ₹ 28.39 crores (including interest till May 31, 2011) and a further interest at the rate of 18% annum. The Defendant had filed notice of motions for referring the matter to arbitration, which were rejected by the High Court of Bombay ("**High Court**"). The High Court, pursuant to its order dated January 31, 2018 ("**Decree**"), decreed the suit in favour of our Company. Thereafter, our Company has filed an execution application before the High Court for execution of the Decree and payment of a sum of ₹ 67.56 crores (due and payable as on January 28, 2019). Thereafter, our Company filed an interim application dated December 22, 2021 to disclose Defendant's director's assets. The matter is currently pending.

2. There are certain ongoing disputes and differences between the Company and Dr. Reddy's Laboratories Limited ("**DRL**") arising from the business transfer agreement dated August 12, 2020, as amended from time to time, whereby the claim made by DRL is for total damages of ₹ 18.63 crores, with interest, which is disputed by our Company with the counterclaim made amounting to ₹ 48.93 crores, with interest, which has been further disputed by DRL. The pleadings are yet to be concluded, and the matter is currently pending before the arbitral tribunal.

3. Our Company has filed a special leave petition dated July 19, 2024 ("**SLP**") against the Wockhardt Employees' Union ("**Respondent**") before the Supreme Court of India, challenging the judgment dated July 1 2024 ("**Impugned Judgment**") passed by the High Court of Judicature at Bombay, Bench at Aurangabad ("**High Court**"), which has set aside the order dated May 26, 2020 ("**Industrial Court Order**") passed by the Industrial Court, Aurangabad ("**Industrial Court**"). The Industrial Court Order stated that the transfer orders of our workmen were not passed out of malafide by our Company and such orders did not amount to unfair labour practices under the Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices Act, 1971. In the SLP, our Company has averred that the Impugned Judgment is arbitrary and contrary to law. The matter is currently pending.

*Outstanding actions by statutory or regulatory authorities involving our Company*

1. Amit Agencies ("**Applicant**") filed an application before the Competition Commission of India ("**CCI**") for anti-competitive practices undertaken by our Company, among others (**"Respondents"**), whereby allegedly any pharmaceutical company was required to obtain a no-objection certificate from the Respondents before appointing a distributor and stockiest. The Applicant approached our Company for appointment as stockist and the same was refused by our Company subject to certain approvals to be obtained by the Applicant. The CCI initiated investigation against our Company for alleged violation of Section 3 of Competition Act, 2002 as amended ("**Competition Act**"). Our Company received a notice dated April 06, 2018 ("**Notice**") from Director General's Office ("**DG Office**") wherein it was stated that the CCI, vide order dated November 28, 2017, under Section 26(1) of the Competition Act, directed the DG Office to conduct an investigation ("**Order**"). Pursuant to the Notice, our Company was directed to furnish information pertaining to appointment of the Applicant as our stockist. Our Company filed a reply to the Notice on April 24, 2018, furnishing the information sought. Our Company further received a notice dated October 13, 2021, wherein additional information was sought ("**Notice One**"). Our Company filed a reply to Notice One on October 21, 2021 ("**October Reply**") furnishing the requested information. A further reply dated November 22, 2021, was filed furnishing additional information in furtherance of October Reply. Furthermore, our Company furnished additional information on January 12, 2024 and January 29, 2024, in response to email dated December 15, 2023 and January 9, 2024, respectively, received from the DG Office. The matter is currently pending.

2. Chemist and Druggist Association of Goa ("**Appellant**") filed an appeal under Section 53B of the Competition Act, 2002 ("**Competition Act**") before the erstwhile Competition Appellate Tribunal, New Delhi against the CCI, our Company and others against the order dated October 27, 2014 ("**Order**") passed by the CCI. Pursuant to the Order, the CCI has imposed a penalty on the Appellant for indulging in anti-competitive practices in terms of Section 3 of the Competition Act by mandating the supply of medicines through only authorized stockists. The Appellant has contended *inter alia* that supply through authorized stockists is not anti-competitive and would prevent the supply of fake and spurious medicines. Subsequently, our Company filed written submission on March 28, 2022 *inter alia* praying that the Appellant is not entitled to any relief. The matter is currently pending.

3. Our Company ("**Petitioner**") filed a writ petition before the High Court of Judicature of Bombay, against the Union of India, Department of Pharmaceuticals ("**DoP**") and National Pharmaceutical Pricing Authority ("**NPPA**"), (together with DoP, "**Respondents**") challenging (a) the price fixation notification dated June 14,

2013 and June 28, 2013 ("**Notifications**") issued by the NPPA whereby it has fixed the ceiling prices in respect of the formulations, being Povidone Iodine Solutions 5% and Povidone Iodine Ointment 5%, and (b) order dated December 23, 2013 ("**Order**") passed by DoP rejecting the review application filed by our Company against the Notification. Our Company has contended that the NPPA has not followed the objective criteria as laid down under the Drugs (Prices Control) Order ("**DPCO**") while fixing the ceiling price in respect to the said formulations and therefore the Notifications and Order are illegal and *ultra vires* of the provisions of the DPCO and Articles 14 and19(1)(g) of the Constitution of India. Further, our Company has prayed, *inter alia*, for quashing the Notification and Order, and implementing fresh price notifications, and prohibiting the Respondents from taking any action against our Company in furtherance to the implementation of the Notifications and the Order. The matter is currently pending.

4. Our Company ("**Petitioner**") filed a writ petition before the High Court of Delhi at New Delhi ("**Delhi HC**"), against the Union of India, Ministry of Chemicals and Fertilizers ("**MoCF**") and NPPA (together with MoCF "**Respondents**") challenging the notes to notifications dated March 2, 2016 and March 29, 2016 ("**Impugned Notifications**") issued by the NPPA whereby NPPA mandated the manufacturer of scheduled formulations to sell the said formulations at a price lower than the revised ceiling price under the provision of DPCO. Our Company has contended that the Impugned Notifications are *inter alia* illegal, arbitrary, *ultra vires*, unconstitutional and violative of the Constitution of India. Further, our Company has prayed, *inter alia*, either for quashing para 13(3) and para 16(4) of DPCO 2013, or to declare that meaning, scope and interpretation of the Impugned Notifications do not require a manufacturer of scheduled formulations to sell the said formulations at a price lower than the revised ceiling price to make a further reduction taking into account the decline in the wholesale price index. The matter is currently pending.

5. A show cause notice was issued by the Assistant Commissioner, Food and Drugs Administration, Maharashtra ("**FDA Commissioner**") dated July 26, 2013 ("**SCN**") for cancellation of the license of our Company on the allegations of stocking and selling the drugs containing Dextropropoxyphene which was prohibited by the Central Government under the DCA through its notification dated May 23, 2013 ("**Notification**"). Pursuant to the hearings under the SCN, the license of our Company was cancelled by the FDA Commissioner pursuant to an order dated January 3, 2014 ("**Order**"). Thereafter, our Company filed an appeal against the Order before the Additional Chief Secretary, Food and Drugs Administration ("**ACS**"), however, the Order was upheld by ACS vide its order dated February 4, 2014 ("**Appeal Order**"). Aggrieved by this, our Company filed a writ petition before the High Court of Bombay ("**Bombay High Court**") seeking directions for, *inter alia*, quashing the Appeal Order on the grounds that the drugs were recalled as soon as the Notification was widely disseminated by the official sources. The Bombay High Court, pursuant to its order dated June 17, 2014, set aside the Appeal Order and restored the appeal filed by our Company before the ACS. However, the ACS upheld the Order by way of order dated August 30, 2014 ("**Impugned Order**"). Our Company filed a writ petition before the Bombay High Court seeking to quash and set aside the Impugned Order. The Bombay High Court by way of its order dated September 19, 2014 upheld the part of its previous order, setting aside the decision of the ACS to suspend Company's license. The matter is currently pending.

6. A show cause notice dated October 7, 2005 and an order dated May 19, 2006 ("**Order**") were issued by the Joint Commissioner and Drugs Controller, Food and Drug Administration ("**FDA Commissioner**") whereby sale of Freecad Softgel and Winofit Softgel ("**Medicines**") by our Company was disallowed on the grounds of not having requisite licenses under DCA. Thereafter, our Company filed a writ petition before the Bombay High Court challenging the Order on the grounds, *inter alia*, that the Medicines are food supplements and not drugs and relevant licenses under the Prevention of Food Adulteration Act, 1954 have been obtained for the same and the Order is arbitrary, unfair, unreasonable, irrational, *ultra vires* and violative of the Constitution of India. The Bombay High Court has granted interim reliefs. The matter is currently pending.

7. Our Company and Rupali Lonkar ("**Petitioners**") filed a writ petition before the High Court of Judicature of Bombay, against the Union of India, Department of Pharmaceuticals ("**DoP**") and National Pharmaceutical Pricing Authority ("**NPPA**", and together with DoP, "**Respondents**") challenging (a) the price fixation notification dated April 28, 2014 ("**Notification**") issued by the NPPA whereby NPPA has fixed the ceiling prices in respect of the formulations, being Gentamicin Injection 40 ml and Dexamethasone Injection 4 ml, and (b) order dated July 7, 2014 ("**Order**") passed by DoP rejecting the review application filed by our Company against the Notification. Our Company has contended that the NPPA has not followed the objective criteria as laid down under the DPCO while fixing the ceiling price in respect to the said formulations and therefore the Notification and Order are illegal and *ultra vires* of the provision of the DPCO and are violative Articles 14 and 19(1)(g) of the Constitution of India. Further, our Company has prayed, *inter alia*, for quashing the Notification and setting aside the Order and prohibiting the Respondents from taking any action against our Company in furtherance to the implementation of Notification and Order. The matter is currently pending.

8. Our Company ("**Petitioner**") filed a writ petition before the High Court of Delhi at New Delhi, against the Union of India, Department of Pharmaceuticals ("**DoP**") and NPPA, (together with DoP, "**Respondents**") challenging (a) the price fixation notifications dated March 29, 2016 and March 10, 2017 ("**Price Fixation Notifications**") issued by the NPPA whereby NPPA has fixed the ceiling prices in respect of the formulations, Alphadopa 500mg tablets/Methyldopa 500 mg; (b) show cause notices dated April 8, 2015, September 9, 2015 and April 12, 2016 ("**SCNs**"); (c) demand notice dated July 10, 2017 ("**Demand Notice**") and (d) order dated August 25, 2021 ("**Order**") passed by DoP demanding payment of ₹ 61.35 crores. Our Company has contended that the Price Fixation Notifications, SCNs, Demand Notice and Order are illegal and ultra vires of the provision of the Articles 14 and 19(1)(g) of the Constitution of India. Further, our Company has prayed, *inter alia*, for quashing the Price Fixation Notifications, SCNs, Demand Notice and Order and prohibiting the Respondents from taking any action against our Company in furtherance to the implementation of Price Fixation Notifications, SCNs, Demand Notice and Order. The matter is currently pending.

9. A show cause notice dated January 29, 2018 ("**SCN**") was issued against the Company by the Commissioner of Customs (Export), Air Cargo Complex, Mumbai ("**Commissioner**") alleging the misclassification of the product, 'Divalproex Sodium', by our Company. In terms of the SCN, the Additional Commissioner of Customs (Export) hold that our Company deliberately misclassified the product to avail 2% incentive under the Focus Product Scheme ("**FPS**") benefit under Chapter 3 of the Foreign Trade Policy and thereafter imposed a penalty of ₹ 0.75 crore through its order dated September 18, 2018. Subsequently, our Company had filed an appeal before the Office of the Commissioner of Customs (Appeals), Mumbai ("**Appellate Tribunal**") against the said order. Our Company contended, *inter alia*, that the original shipping bills were submitted by the Company after the extended period for claiming the benefits of FPS and therefore the Company was not eligible for the availing the FPS. However, the Appellate Tribunal vide its order dated July 12, 2019 ("**Order**") rejected the appeal and reduced the penalty amount to ₹ 0.25 crore. Aggrieved by the Order, our Company has filed an appeal against the Commissioner before the Customs, Excise and Service Tax Appellate Tribunal, West Zonal Bench, Mumbai praying, *inter alia*, to set aside the Order. The matter is currently pending.

10. Our Company filed a writ petition (**"Petition"**) before the High Court of Judicature of Bombay, Bench at Aurangabad (**"High Court"**), against Maharashtra State Electricity Distribution Company Limited ("**MSEDCL**") challenging the validity and legality of the order passed by Electricity Ombudsmen dated July 25, 2012 ("**Impugned Order**") which incorrectly assessed the category under which the electricity was supplied to our Company and wrongly categorized our Company's research and development centre as commercial unit rather than an industrial unit. Our Company contended that the Impugned Order was *inter alia* erroneous and against principles of natural justice. Further, our Company has prayed, *inter alia*, to quash and set aside the Impugned Order and prohibit the MSEDCL from taking any action against our Company in furtherance to the implementation of Impugned Order. Further, MSEDCL also filed a writ petition against the Impugned Order before the High Court ("**Petition Two**") and prayed, *inter alia*, that till the disposal of the Petition Two, our Company shall pay electricity charges as per revised tariff in commercial unit category. Our Company has received a bill dated March 6, 2024 ("**Bill**") for the month of February 2024, demanding a total sum of ₹ 9.29 crores, which was also followed up by an email dated April 12, 2024 and notice dated April 22, 2024 wherein MSEDCL has informed our Company that on account of reclassification of the electricity consumption of our Company's research and development center from industrial to commercial, the Company is required to pay the bill amounting to ₹ 8.94 crore. We have filed two civil applications before the High Court of Judicature at Bombay, Aurangabad Bench, each dated April 29, 2024, for stay of effect, operation and execution of the Bill and amendment of the Petition, respectively. The matter is currently pending.

11. Our Company filed an appeal before the Supreme Court of India ("**Supreme Court**") against the order dated February 21, 2013 ("**Impugned Order**") passed by the Appellate Tribunal for Electricity ("**Appellate Tribunal**") which had upheld the order and judgment of Maharashtra Electricity Regulatory Commission ("**MERC**") dated August 16, 2012, relating to incorrect categorization of Research and Development centers and imposition of different tariff as determined by Maharashtra State Electricity Distribution Limited ("**MSEDCL**"). Our Company has contended that the Appellate Tribunal in its Impugned Order *inter alia* failed to recognize the burden of high tariff cost on the Company, to be arbitrary, discriminatory and violative of Article 19 of the Constitution of India among other grounds. Further, our Company has prayed, *inter alia*, to admit and allow the civil appeal filed by it and to quash and set aside the Impugned Order of the Appellate Tribunal. The matter is currently pending.

12. A show cause notice dated June 5, 2021 ("**SCN**") was issued against the Company by the Commissioner of Customs (Import), Air Cargo Complex, Sahar, Andheri, Mumbai ("**Commissioner, Andheri**") alleging the misclassification of the product 'Dextromethorphan Hydroromide' by our Company. In terms of the SCN, the

Commissioner, Andheri alleged that our Company deliberately misclassified the product to avail benefits under the Merchandise Exports from India Scheme ("**MEIS**") from April 2015 to at least July 2017 to the tune of ₹ 9.47 crores and claimed and demanded ₹ 5.99 crores as duty amount ("**Claimed amount**"). Subsequently, our Company replied to the SCN seeking working of the Claimed amount and two months extension to file the reply. Additionally, our Company has received a letter dated February 1, 2022, affixing the date of personal hearing. Our Company further received show cause notices dated July 28, 2021, November 30, 2021 and March 28, 2022 ("**March 28 SCN**") from Commissioner of Customs, Nhava Sheva ("**Commissioner, Nhava Sheva**"), show cause notice dated August 17, 2021 from Commissioner of Customs, Chennai ("**Commissioner, Chennai**") and show cause notice dated December 6, 2022 from the Office of the Principal Commissioner of Customs, ACC (Import), New Delhi ("**Other SCN(s)**", and together with the SCN, "**All SCNs**") on the identical subject matter. Our Company replied on February 10, 2022 to the Commissioner, Andheri requesting adjudication of the Other SCNs received till date together with the SCN by a single authority to avoid multiplicity of proceedings and seeking adjournment of hearing and extension of further two months. Pursuant to the notice dated March 21, 2022, Commissioner, Nava Sheva kept the Other SCN dated July 28, 2021 in abeyance/ call book, on the basis of which our Company requested the Commissioner, Chennai and Commissioner, Nhava Sheva by letters dated May 04, 2022 and February 10, 2023, respectively, to keep the Other SCNs dated August 17, 2021 and March 28, 2022 in the call book as well and further requested for consolidation of proceedings. Our Company received a corrigendum to Other SCNs, except March 28 SCN, whereby the matter was transferred to Commissioner, Andheri, to which our Company replied on February 21, 2023, seeking extension of at least two months to file the reply. The Commissioner, Andheri, *vide* its letter dated October 26, 2023, fixed the date for personal hearing in relation to All SCNs, except March 28 SCN, in the month of November 2023 to which our Company replied on November 3, 2023, seeking adjournment of the hearing till the receipt of the particulars sought from the respective commissionerates. The matter is currently pending. Our Company received a notice dated June 4, 2024 from Commissioner, Nhava Sheva, setting up the matter for personal hearing on June 27, 2024. Pursuant to this hearing, the Commissioner, Nhava Sheva indicated its lack of authority to transfer the matter to the Commissioner, Andheri and stated to make a representation to the Central Board of Indirect Taxes and Customs, New Delhi ("**CBIT**") for transfer of the proceedings in relation to the March 28 SCN ("**Proceedings**") to the Commissioner, Andheri. Accordingly, our Company has, by letter dated July 24, 2024, requested the CBIT to transfer the Proceedings to the Commissioner, Andheri and the matter is currently pending.

13. A show cause notice dated June 16, 2014 ("**SCN**") was issued against the Company by the National Pharmaceutical Pricing Authority ("**NPPA**") alleging selling Tryptomer 25mg tablets (referred to as "**Tablets**") at a price higher than the ceiling price stipulated in the price fixation notification dated June 14, 2013 (the "**Price Fixation Notification**") issued by the NPPA. This notification fixed the ceiling prices for formulation of Amitriptyline 25mg tablets. According to the SCN, the NPPA initiated a case of overcharging and subsequently issued a demand notice dated August 28, 2014, requiring a total deposit of ₹ 3.54 crores including interest amounting to ₹ 0.42 crores. In response, our Company, through its letter dated April 22, 2015 ("**Letter**"), asserted that it had consistently and diligently taken steps to ensure compliance with the Price Fixation Notification and highlighted that it had taken measures to adjust the price. Furthermore, our Company in the Letter also cited an interim order issued by the High Court of Delhi on August 5, 2013 (the "**Order**"), which resulted from a writ petition filed by our Company against the Union of India, the Department of Pharmaceuticals, and the NPPA challenging certain provisions of the Drugs (Prices Control) Order, 2013, which restrained NPPA from taking any coercive actions against our Company. Consequently, our Company requested the NPPA in the Letter to withdraw the SCN. The matter is currently pending.

*Other notices by statutory or regulatory authorities involving our Company*

1. Our Company, our Directors and our Promoters in the ordinary course of our business receives from various statutory and/ or regulatory authorities *inter alia* State Drugs Controller, Health and Family Welfare Department, Narcotics Control Bureau: (i) show cause notices for misbranding with respect to labelling requirements, non-compliance with quality and specifications under the Drugs and Cosmetics Act, 1940 and Drugs and Cosmetic Rules, 1945; (ii) notices to furnish information/ clarifications (a) under Section 91 of the Code of Criminal Procedure, 1973 for the purpose of investigation; (b) under Narcotic Drugs and Psychotropic Substances Act, 1985 and under Section 18B and 22 of the Drugs and Cosmetics Act, 1940 and rules made thereunder for verifying *inter alia* the genuineness and manufacturer of the products/drugs being seized, diversion of products into illicit channels, marketing and distribution of misbranded drugs; and (c) pertaining to price to retailer and moving annual turnover by the National Pharmaceutical Pricing Authority to enable the said authority to fix the retail price and ceiling price, ensure compliance of ceiling price, etc.; and (iv) notices for providing expert opinion on sample seized by the authorities identified as counterfeit products. We routinely address all notices received from statutory and regulatory authorities.

2. The Joint Commissioner of Drugs & Licensing Authority, Food and Drug Administration, M.S., Chh. Sambhajinagar ("**Joint Commissioner**") issued show cause notices against the Company dated January 15, 2024 and January 16, 2024 ("**SCNs**"). The SCNs allege that the Company failed to comply with the pharmaceutical quality system requirements of the Drugs and Cosmetic Act, 1940 and good manufacturing practices, including inadequate material segregation, labelling, and activity recording. The SCNs demand a written explanation as to why the Company's license should not be cancelled. The matter is currently pending.

3. A show cause notice dated July 5, 2023 ("**SCN**") was issued against our Company and our cost auditor, namely Kirit Mehta & Co. ("**Cost Auditor**"), by the Cost Audit Branch of the Ministry of Corporate Affairs ("**MCA**") under section 148 of the Company Act, 2013 alleging that in the prescribed unit of measurement ("**UoM**") i.e. kilogram ("**Kg**") has not been used in the cost audit report filed for financial year 2021-22 as per the provisions of the Companies (Cost Records and Audit) Amendment Rules, 2018 ("**Rules**"). Our Company replied to SCN clarifying that our Company follows the practise of maintaining cost records based on the UoM approved and implemented by the relevant authority for GST purposes and reflects the industry practices which provides more accurate representation of the product for cost analysis purposes. However, MCA found the said clarifications provided by the Company unsatisfactory and issued a show cause notice dated February 13, 2024 ("**Second SCN**") against our Company, the Cost Auditor and our Directors alleging that the cost audit report filed for financial year 2021-22, the UoM for the product 'Losartan' was not reported in accordance with the Customs Tariff Act, 1975. Our Company replied to the Second SCN on March 1, 2024, clarifying that the practice followed by our Company reflects the industry practices which provides more accurate representation of the product for cost analysis purposes and also, submitted the cost audit report in the UoM as instructed in the Second SCN but requested MCA to consider the practical implication of using Kg as UoM for pharmaceutical formulations. The matter is currently pending.

4. The Office of District Food Safety & Drug Control, Jodhpur, Rajasthan, has issued a show cause notice dated July 5, 2024 ("**SCN**"), under Sections 18A, 18B, 22(i)(cca), 22(3), 22(5) and 34 of the Drugs and Cosmetics Act, 1940 to our Company alleging that the sample of Insulin Glargine Injection I.P. 100 IU/ml (r-DNA origin) (Glaritus 100IU/ml of Glaritus Batch No. DW10202 has not been found to be of standard quality by the Government Analyst, Udaipur due to non-conformity with the IP in respect of total zinc. The matter is currently pending.

5. The District Food Safety & Drug Control, Bikaner, has issued a show cause notice dated May 23, 2024, under Sections 18-A, 18-B, 22(i)(cca) and 18(a)(i) of the Drugs and Cosmetics Act, 1940 to our Company alleging that the sample of Insulin Glargine Injection I.P. 100 IU/ml (r-DNA origin) Glaritus 100IU/ml of Glaritus Batch No. DW10203 ("**Drug**") has not been found to be of standard quality by Government Analyst, Noida and our Company has been ordered to stop selling the Drug as well as recall the unsold stock of the Drug. The matter is currently pending.

6. The Office of Food & Drug Administration, Sambhajinagar division, has issued a show cause notice dated October 17, 2024, under the Drugs and Cosmetics Act, 1940 and the rules thereunder, to our Company alleging that the sample of Dexamethasone Tablets IP (Decdan 0.5 mg), taken by the Drug Inspector, Hamirpur, Uttar Pradesh Government Analyst, Lucknow has was been found invalid on the grounds that the sample does not confirm to IP in respect of assay. The matter is currently pending.

*Material tax proceedings involving our Company*

1. The Company received assessment orders from the Assistant Commissioner of Income Tax (the "**CIT**") for various assessment years (2002-03 to 2018-19) (the "**Assessment Orders**") along with the demand notices amounting to ₹ 218.84 crores. Assessment Orders were issued in relation to disallowance of weighted deduction under Section 35 (2AB) of the Income Tax Act, 1961, which was claimed by Company under the head of research and development expenses at 200% on the capital expenditure. In terms of the Assessment Orders, the CIT, *inter alia*, disallowed the deduction of 200% of the capital and revenue expenditure claimed by our Company under Section 35(2AB) of the Income Tax Act, 1961. The matter is currently pending.

2. The Company received assessment orders from the Assistant Commissioner of Income Tax (the "**CIT**") for various assessment years (2007-08 to 2021-22) (the "**Assessment Orders**") along with the demand notices amounting to ₹ 215.05 crores. Assessment Orders were issued in relation to computation of arm's length price for transfer pricing adjustment under Section 92CA of the Income Tax Act, 1961, In terms of the assessment orders, the CIT, *inter alia*, enhanced the total income of Company for calculation of tax payable by it. The matter is currently pending.

3. The Company received assessment order from the Assistant Commissioner of Income Tax (the "**CIT**") for the assessment year 2012-13, (the "**Assessment Order**") along with the demand notices amounting to ₹ 74.21 crore. Assessment Orders were issued in relation to the issue of CDR recompense expense under Explanation 1 to Section 115JB of the Income Tax Act, 1961, In terms of the assessment order, the CIT, *inter alia*, disallowed CDR recompense expense due to calculation being done on ad-hoc rather than scientific basis. The matter is currently pending.

4. The Company received assessment orders from the Assistant Commissioner of Income Tax (the "**ACIT**") for various assessment years (2011-12 to 2016-17) (the "**Assessment Orders**") along with the demand notices amounting to ₹123.35 crores. The Company appealed that the Assessment Orders failed to appreciate that in the absence of "Principal and Agent" relationship between the Company and its distributors, as required for deducting of tax at source under section 194H of the Income Tax Act, 1961 (**"Act"**), the Company cannot be held as an "assessee in default" under section 201(1A) of the Act. The matter is currently pending.

**B. Litigation involving our Subsidiaries**

*Criminal litigation involving our Subsidiaries*

Nil

*Material civil proceedings involving our Subsidiaries*

Nil

*Outstanding actions (including show-cause notices) initiated by statutory or regulatory authorities involving our Subsidiaries*

Nil

*Other pending matters involving our Subsidiaries which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company*

1. Wockhardt USA LLC and Morton Grove Pharmaceuticals, Inc. (together, "**Wockhardt U.S. Companies**") are defendants in class action and individual lawsuits by private companies and the States, Counties, and Territories of the United States alleging that the Wockhardt U.S. Companies and other generic drug manufacturers pursued a common goal of achieving artificially inflated generic drug prices through the allocation of markets and through price-fixing agreements. The generic drug companies allegedly accomplished this goal through an overarching, industry-wide conspiracy and various drug-specific conspiracies. The plaintiffs allege claims under antitrust, competition, consumer protection, and deceptive trade practices statutes (among other common law claims).

2. Wockhardt USA LLC, Wockhardt Limited and other brand and generic pharmaceutical companies, distributors and retailers are defendants in multiple litigations alleging ranitidine (Zantac) products liability claims. Most of these cases are consolidated in a multidistrict litigation (MDL) in the U.S. District Court for the Southern District of Florida. On December 31, 2020, the Court dismissed all claims against the generic defendants, including Wockhardt USA LLC and Wockhardt Limited, with the opportunity for plaintiffs to re-plead certain claims. On January 28, 2021, the third party-payors filed a Notice of Appeal with respect to the Court's decision dismissing their class action complaint. On February 8, 2021, Plaintiffs filed an Amended Personal Injury Complaint, naming Wockhardt USA LLC, Wockhardt Limited and other pharmaceutical companies, distributors and retailers as defendants. On July 8, 2021, the Court granted the generic defendants' motion to dismiss, dismissing all claims against the generic defendants, including Wockhardt USA LLC and Wockhardt Limited. On December 6, 2022, the MDL court held that plaintiffs failed to prove general causation with respect to the five cancers selected by plaintiffs. Multiple plaintiffs have appealed the district court decisions. Plaintiffs filed actions in California, Illinois and Pennsylvania state courts making substantially the same claims and allegations as those alleged in the federal MDL court. On October 25, 2022, the Supreme Court of Illinois consolidated the Illinois state court actions in the Circuit Court of Cook County, Illinois under the lead case, No. 2020 L 004916. The Illinois Circuit Court dismissed the actions against the generic pharmaceutical companies, including Wockhardt USA LLC and Wockhardt Limited, on October 6, 2023. The California state court actions have been consolidated in the Superior Court of the State of California, County of Alameda, JCCP NO. 5150. The Pennsylvania state court actions have been consolidated in the Court of Common Pleas, Philadelphia County, June Term 2022, No. 1364. Plaintiffs also filed state court actions in New York and Ohio against Wockhardt USA LLC and other brand and generic

pharmaceutical companies. The plaintiffs voluntarily dismissed these actions against the generic pharmaceutical companies.

## C. Litigation involving our Promoters

*Outstanding litigation involving our Promoters*

1. Humuza Consultants and others ("**Plaintiffs**") executed a master loan agreement with Guardian Finance Private Limited ("**Defendant No. 1**"), wherein the Defendant No. 1 agreed to lend an amount up to ₹ 57.83 crores to the Plaintiffs. To secure the loan amount, the Plaintiffs created a pledge of 40,00,000 shares of our Company in favour of Defendant No. 1. On July 24, 2023, the Defendant No. 1 illegally invoked the pledge in respect of 20,00,000 shares and transferred into its own account. On being inquired, Defendant No. 1 by letter dated July 28, 2023 confirmed that the shares were pledged for securitisation and that steps were being taken for reversing the transfer of shares. Thereafter, despite assurance of reversal, the Defendant No.1 illegally sold 10,00,000 of the invoked pledged shares without informing the Plaintiffs on July 30, 2023. Consequently, the Plaintiffs filed a commercial suit along with a leave petition and an interim application before the High Court of Bombay, at Bombay ("**High Court**") on July 31, 2023, against Defendant No. 1 and others praying for inter alia setting aside of both the invocation of pledge and the sale of invoked shares by Defendant No. 1. The High Court, through order dated July 31, 2023 ("**Order**"), directed to maintain the status-quo in respect of the invoked and uninvoked shares. Despite the Order, Defendant No.1 further disposed of 4,75,000 of the invoked shares. Following this, Humuza Consultants filed a complaint before the Kurla Police Station against Defendant No. 1 and its directors ("**Complaint**") and pursuant thereto, Economics Offences Wing, Mumbai registered an FIR dated August 25, 2023 against Defendant No. 1 and its directors and promoters. The High Court on August 3, 2023 passed a further ad-interim order ("**Freezing Order**") freezing the bank accounts of Defendant No.1 in relation to the sale proceeds amounting to a sum of ₹ 35.94 crore received from the invoked pledged shares. Additionally, the Plaintiffs filed another interim application dated October 11, 2023, before the High Court seeking *inter alia* deposit of amounts and transfer of invoked and uninvoked pledged shares to the Plaintiffs. The interim application was listed on March 13, 2024 and the High Court took on record, the statement of the officer from economic offences wing ("**EOW Officer**") stating that the unsold invoked pledged shares amounting to 6,02,772 equity shares and balance amount in demat linked account amounting to ₹ 23.52 crore can be released in favour of Humuza Consultants. Further, the High Court directed the EOW Officer to submit the said statement on a notarised affidavit and directed the Defendant No. 1 to comply its order dated February 28, 2024 and submit an affidavit disclosing the appropriate details of the bank accounts in which the amount of ₹ 2.14 crore is transferred. The EOW Officer filed the affidavit dated March 15, 2024. The High Court, *vide* orders dated March 21, 2024 and April 12, 2024, directed Defendant No. 1 to (i) transfer ₹ 23.52 crores in the account of Humuza Consultants, (ii) transfer 6,02,772 unsold invoked pledged shares in the demat account of the Plaintiffs, and (iii) release 10,00,000 shares from pledge and continue their ownership with the Plaintiffs. The Defendant No. 1 has filed an interim application dated March 19, 2024, seeking modification of Freezing Order by defreezing its demat account while keeping aside or in abeyance the disputed amount of ₹35.94 crore. The matter is currently pending.

## D. Litigation involving our Directors

*Outstanding litigation involving our Directors*

1. The Government of Bihar, through Drug Inspector, Madhubani-01 filed a complaint dated May 16, 2023 before the Court of District & Sessions Judge, Madhubani ("**Sessions Court**") against Murtaza H. Khorakiwala, the Managing Director of our Company ("**Accused**"), and others, alleging Libotryp Tab to be substandard on the basis of test carried out by Government Analyst, Guwahati, and in violation of Section 17B of the Drugs & Cosmetics Act, 1940. The Accused filed a criminal miscellaneous application dated June 27, 2024 ("**Application**") before the High Court of Judicature at Patna ("**High Court**") requesting for, *inter alia*, stay on proceeding before the Sessions Court. The High Court, *vide* its order dated July 16, 2024, stayed the proceedings before the Sessions Court during the pendency of the Application before the High Court. The matter is currently pending.

## E. Tax litigation

As on the date of this Preliminary Placement Document, except as disclosed below, there are no outstanding tax litigations, involving the Relevant Parties:

| Nature of case | Number of cases | Amount involved (in ₹ crores)* |
|---|---|---|
| ***Tax litigation involving our Company*** | | |
| Direct tax | 27 | 1,131.6 |
| Indirect tax | 57 | 197.4 |
| **Total** | 84 | 1,329.0 |
| ***Tax litigation involving our Subsidiaries*** | | |
| Direct tax | 2 | 1.9 |
| Indirect tax | Nil | Nil |
| **Total** | 2 | 1.9 |
| ***Tax litigation involving our Directors*** | | |
| Direct tax | - | - |
| Indirect tax | - | - |
| **Total** | - | - |
| ***Tax litigation involving our Promoters*** | | |
| Direct tax | - | - |
| Indirect tax | - | - |
| **Total** | - | - |

** To the extent quantifiable, including interest and penalty thereon.*

**F. Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoters during the last three years immediately preceding the year of this Preliminary Placement Document and directions, if any, issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action**

Our Company received a show cause notice dated September 15, 2022, from SEBI ("**SCN**") regarding non-disclosure of interim outcome of USFDA inspection conducted in the year 2013. Subsequently, our Company and the concerned directors including our Promoter namely, Habil Fakhruddin Khorakiwala, filed a settlement application on December 2, 2022, without admitting or denying to any allegations, with the sole aim of resolving the matter in accordance with applicable law. The matter has been disposed of by SEBI *vide* its settlement order dated May 23, 2023 ("**Settlement Order**"). Our Company and the concerned directors including our Promoter namely, Habil Fakhruddin Khorakiwala, complied with the Settlement Order by paying the prescribed penalty. As a result, the matter has been resolved, and there is no pending action. Furthermore, the Settlement Order do not have any material impact on the financial position of the Company.

Except as disclosed above and under *'Litigation involving our Promoters'* on page 269, there have been no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoters during the last three years immediately preceding the year of this Preliminary Placement Document and directions, if any, issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action.

**G. Details of inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 in the last three years involving our Company or our Subsidiaries, or any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years involving our Company or our Subsidiaries**

Except as disclosed under *'Litigation involving our Company'* and *'Litigation involving our Subsidiaries'* on page 262 and 268, respectively, there have been no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 or any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years preceding the year of this Placement Document involving our Company and its Subsidiaries.

**H. Details of default, if any, by our Company or our Subsidiaries including therein the amount involved, duration of default and present status, in repayment of (a) statutory dues; (b) debentures and interests thereon; (c) deposits and interest thereon; and (d) any loan from any bank or financial institution and interest thereon**

As on the date of this Preliminary Placement Document, our Company or our Subsidiaries has no outstanding defaults in relation to repayment of statutory dues, dues payable to holders of any debentures and interest thereon, or in respect of deposits and interest thereon, or in repayment of loans obtained from any bank or financial institution and interest thereon.

**I. Details of acts of material frauds committed against our Company in the last three years, if any, and if so, the action taken by our Company**

There have been no material frauds committed against our Company in the last three years preceding the date of this Preliminary Placement Document.

**J. Details of defaults in annual filing of our Company or our Subsidiaries under the Companies Act, 2013 and the rules made thereunder**

As on the date of this Preliminary Placement Document, our Company or our Subsidiaries has not made any default in annual filings under the Companies Act, 2013 and the rules made thereunder.

**K. Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company on a consolidated basis**

As on the date of this Preliminary Placement Document, there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company on a consolidated basis.

## STATUTORY AUDITORS

Our Company's current Statutory Auditors, M S K C & Associates, Chartered Accountants, are independent auditors with respect to our Company as required by the Companies Act, 2013 and in accordance with the guidelines prescribed by the ICAI and have been appointed as the statutory auditors of our Company, pursuant to the approval of the shareholders of our Company at our annual general meeting held on June 28, 2024.

The peer review certificate of our current Statutory Auditor, M S K C & Associates, Chartered Accountants is valid till September 30, 2026.

The Fiscal 2022 Audited Consolidated Financial Statements, the Fiscal 2023 Audited Consolidated Financial Statements, the Fiscal 2024 Audited Consolidated Financial Statements, and June 2023 Unaudited Consolidated Financial Results, together with the respective reports issued thereon, by our Erstwhile Statutory Auditors, B S R & Co. LLP, Chartered Accountants, and the June 2024 Unaudited Consolidated Financial Results, together with the limited review report issued thereon, by our Statutory Auditors, M S K C & Associates, Chartered Accountants, have been included in this Preliminary Placement Document.

## FINANCIAL INFORMATION

B S R & Co. LLP
Chartered Accountants

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# Independent Auditor's Report

## To the Board of Directors of Wockhardt Limited

## Report on the audit of the Standalone Annual Financial Results

### Opinion

We have audited the accompanying standalone annual financial results of Wockhardt Limited (hereinafter referred to as the "Company") for the year ended 31 March 2022, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone annual financial results:

a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net loss and other comprehensive income and other financial information for the year ended 31 March 2022.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results* section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the standalone annual financial results.

### Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit/ loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results

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

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 annual financial results, 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 through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone annual financial results 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 annual financial results, including the disclosures, and whether the standalone annual financial results 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.

## Other Matter(s)

a. The standalone annual financial results include the results for the quarter ended 31 March 2022 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022

**Koosai Lehery**

*Partner*

Membership No.: 112399

UDIN:22112399AJWGOR8000

Mumbai

30 May 2022

**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

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(Rs. In Crore except per share data)

**STATEMENT OF STANDALONE AUDITED RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022**

| | PARTICULARS | 3 MONTHS ENDED 31/03/2022 | 3 MONTHS ENDED 31/12/2021 | 3 MONTHS ENDED 31/03/2021 | YEAR ENDED 31/03/2022 | YEAR ENDED 31/03/2021 |
|---|---|---|---|---|---|---|
| | (Refer notes below) | Audited (Refer Note 7) | Unaudited | Audited (Refer Note 7) | Audited | Audited |
| 1 | **Income from Continuing operations** | | | | | |
| | (a) Revenue from Continuing operations | 474 | 309 | 262 | 1,372 | 987 |
| | (b) Other income | 22 | 3 | 8 | 38 | 41 |
| | **Total Income** | **496** | **312** | **270** | **1,410** | **1,028** |
| 2 | **Expenses from Continuing operations** | | | | | |
| | (a) Cost of materials consumed | 59 | 79 | 59 | 283 | 253 |
| | (b) Purchase of stock-in-trade | 36 | 46 | 39 | 191 | 165 |
| | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 11 | (3) | 26 | 2 | (2) |
| | (d) Employee benefits expense | 50 | 76 | 58 | 261 | 293 |
| | (e) Finance costs | 78 | 79 | 45 | 273 | 200 |
| | (f) Depreciation and amortisation expense | 43 | 43 | 52 | 171 | 184 |
| | (g) Exchange fluctuation loss, net | - | 4 | - | - | 29 |
| | (h) Other expenses | 132 | 92 | 104 | 413 | 387 |
| | **Total expenses** | **409** | **416** | **383** | **1,594** | **1,509** |
| 3 | **Profit/(Loss) before exceptional Items and tax from Continuing operations (1-2)** | **87** | **(104)** | **(113)** | **(184)** | **(481)** |
| 4 | Discontinued operations | | | | | |
| | **Profit before exceptional items and tax from Discontinued operations** | - | - | - | - | **14** |
| 5 | **Exceptional items- credit/(charge)** | | | | | |
| | a) Continuing operations | - | - | - | - | (142) |
| | b) Discontinued operations - Refer note 2 | - | - | - | - | 1,470 |
| | **Total- Exceptional Items** | - | - | - | - | **1,328** |
| 6 | **Profit/(Loss) after exceptional Items before tax from Continuing operations (3 ± 5a)** | **87** | **(104)** | **(113)** | **(184)** | **(623)** |
| 7 | Tax expense of Continuing operations: | | | | | |
| | Current tax - credit | - | - | (28) | - | (136) |
| | Tax pertaining to earlier years | 5 | - | | 5 | - |
| | Deferred tax - (credit)/charge - (Net) | 42 | (37) | (38) | (49) | (95) |
| 8 | **Net Profit/ (Loss) from Continuing operations (6 ± 7)** | **40** | **(67)** | **(47)** | **(140)** | **(392)** |
| 9 | **Profit after exceptional Items before tax from Discontinued operations (4 ± 5b)** | - | - | - | - | **1,484** |
| 10 | Tax expense of Discontinued operations: | | | | | |
| | Current tax - charge | - | - | - | - | 312 |
| | Deferred tax - charge - (Net) | - | - | - | - | 187 |
| 11 | **Profit from Discontinued operations (9 ± 10)** | - | - | - | - | **985** |
| 12 | **Profit / (Loss) for the period (8 ±11)** | **40** | **(67)** | **(47)** | **(140)** | **593** |
| 13 | a) Other Comprehensive Income - Continuing operations | | | | | |
| | i) Items that will not be reclassified to Profit or Loss - (charge)/credit (consisting of re-measurement of net defined benefit (liability)/asset) | (1) | (0.11) | (5) | (1) | (0.43) |
| | ii) Income tax relating to items that will not be reclassified to Profit or Loss - credit/(charge) | 0.24 | 0.03 | 2 | 0.35 | 0.14 |
| | iii) Other Comprehensive Income (net of tax) from Continuing operations | (1) | (0.08) | (3) | (1) | (0.29) |
| | b) Other Comprehensive Income - Discontinued operations | | | | | |
| | i) Items that will not be reclassified to Profit or Loss - (charge)/credit (consisting of re-measurement of net defined benefit (liability)/asset) | - | - | - | - | (0.04) |
| | ii) Income tax relating to items that will not be reclassified to Profit or Loss - credit/(charge) | - | - | - | - | 0.01 |
| | iii) Other Comprehensive Income (net of tax) from Discontinued operations | - | - | - | - | (0.03) |
| | **Total Comprehensive Income [12 ± 13a(iii) ± 13b(iii)]** | **39** | **(67)** | **(50)** | **(141)** | **593** |
| 14 | Paid-up equity share capital (face value of Rs. 5/- each) | 72 | 55 | 55 | 72 | 55 |
| 15 | Other Equity excluding Revaluation Reserves as per balance sheet | | | | 2,140 | 1,551 |
| 16 | Earnings per share for Continuing operations (face value of Rs. 5/- each) (*not annualised) | | | | | |
| | (a) Basic (Rs.) | 3.24* | (5.58)* | (3.91)* | (11.62) | (32.68) |
| | (b) Diluted (Rs.) | 3.23* | (5.58)* | (3.91)* | (11.62) | (32.68) |
| | Earnings per share for Discontinued operations (face value of Rs. 5/- each) (*not annualised) | | | | | |
| | (a) Basic (Rs.) | - | - | - | - | 82.07 |
| | (b) Diluted (Rs.) | - | - | - | - | 81.69 |
| | Earnings per share for Continuing and Discontinued operations (face value of Rs. 5/- each) (*not annualised) | | | | | |
| | (a) Basic (Rs.) | 3.24* | (5.58)* | (3.91)* | (11.62) | 49.39 |
| | (b) Diluted (Rs.) | 3.23* | (5.58)* | (3.91)* | (11.62) | 49.19 |

B S R & Co. LLP Chartered Accountants 5th Floor, Central A Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063

**Notes To Standalone Results :-**

1) The results were reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on May 30, 2022. The Statutory Auditors have expressed an unmodified audit opinion with respect to the Audited Financial Results of the Company for the quarter/year ended March 31, 2022.

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

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

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

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

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

3) Revenue for the quarter and year ended March 31, 2022 includes Rs. 152 crore for assignment of intellectual property rights to one of its Subsidiary. The transaction has been eliminated at the Consolidated financial statements.

4) During the year, in accordance with provisions of the Companies Act and other relevant laws, the Company offered its shareholders to subscribe to a right issue of 33,244,650 equity shares at an issue price of Rs. 225 per share. The issue was fully subscribed. Basic and diluted earnings per share for the year ended March 31, 2022, March 31, 2021 and previous quarters have been adjusted appropriately for the bonus element in respect of rights issue.

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

6) During the quarter ended March 31, 2022 , the Company has allotted Nil (Year to date 34,350) Equity shares of face value of Rs. 5/- each pursuant to exercise of employee stock options.

7) Figures for the quarter ended March 31, 2022 and March 31, 2021 are the balancing figures between the audited figures of the full financial year and the reviewed figures upto the third quarter of the relevant financial year.

8) The Company is exclusively into Pharmaceutical business Segment.

9) All the amount have been rounded off to the nearest crore except per share data. Till December 31, 2021 all the amount have been rounded off to the nearest crore and two decimal thereof except per share data.

10) Previous period / year figures have been recast / re-grouped / re-classified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective April 01, 2021.

**FOR WOCKHARDT LIMITED**

**H F KHORAKIWALA**
CHAIRMAN
DIN: 00045608

Mumbai
Date : May 30, 2022

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14th Floor,
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North C Wing,
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Chartered Accountants

**WOCKHARDT LIMITED**
Registered Office: D-4 MIDC, Chikalthana, Aurangabad - 431 006
Global Headquarters: Wockhardt Towers, Bandra Kurla Complex, Bandra (East), Mumbai 400 051

## STATEMENT OF STANDALONE ASSETS AND LIABILITIES

(Rs. in Crore)

| | PARTICULARS | As at Year End 31/03/2022 Audited | As at Year End 31/03/2021 Audited |
|---|---|---|---|
| A) | **ASSETS** | | |
| 1 | **Non- Current assets** | | |
| | (a) Property, plant and equipment | 1,273 | 1,057 |
| | (b) Right of use assets | 471 | 524 |
| | (c) Capital work-in-progress | 69 | 307 |
| | (d ) Intangible assets | 84 | 103 |
| | (e ) Intangible assets under development | 756 | 409 |
| | (f) Financial assets | | |
| | (i) Investments in subsidiaries | 297 | 297 |
| | (ii) Other Investments * | - | - |
| | * Rs. 0.45 crore (Previous year - Rs. 0.45 crore) | | |
| | (iii) Other non-current financial assets | 61 | 42 |
| | (g) Non-current tax assets (Net) | 94 | 96 |
| | (h) Deferred tax assets (Net) | 204 | 155 |
| | (i) Other non-current assets | 101 | 66 |
| | **Sub-total- Non-current assets** | 3,410 | 3,056 |
| 2 | **Current assets** | | |
| | (a) Inventories | 387 | 348 |
| | (b) Financial assets | | |
| | (i) Trade receivables | 1,292 | 955 |
| | (ii) Cash and cash equivalents | 172 | 79 |
| | (iii) Bank balances (other than Cash and cash equivalents) | 35 | 59 |
| | (iv) Other current financial assets | 82 | 66 |
| | (c ) Other current assets | 276 | 188 |
| | (d) Assets classified as held for sale | 144 | 144 |
| | **Sub-total - Current assets** | 2,388 | 1,839 |
| | **TOTAL ASSETS** | 5,798 | 4,895 |
| B) | **EQUITY AND LIABILITIES** | | |
| 1 | **Equity** | | |
| | (a) Equity share capital | 72 | 55 |
| | (b) Other Equity | 2,140 | 1,551 |
| | **Sub-total- Equity** | 2,212 | 1,606 |
| 2 | **Liabilities** | | |
| I. | **Non- Current liabilities** | | |
| | (a) Financial liabilities | | |
| | (i) Borrowings | 146 | 259 |
| | (ii) Lease Liabilities | 359 | 394 |
| | (b) Provisions | 32 | 33 |
| | **Sub-total- Non-current liabilities** | 537 | 686 |
| II. | **Current liabilities** | | |
| | (a) Financial liabilities | | |
| | (i) Borrowings | 1,444 | 1,354 |
| | (ii) Lease Liabilities | 75 | 71 |
| | (iii) Trade payables | | |
| | a. Total outstanding dues of Micro enterprises and Small enterprises | 45 | 22 |
| | b. Total outstanding dues of creditors other than micro enterprises and small enterprises | 537 | 383 |
| | (iv) Other current financial liabilities | 280 | 152 |
| | (b) Other current liabilities | 638 | 526 |
| | (c) Provisions | 28 | 31 |
| | (d) Current tax liabilities (Net) | 2 | 64 |
| | **Sub-total- Current liabilities** | 3,049 | 2,603 |
| | **Total Liabilities** | 3,586 | 3,289 |
| | **TOTAL EQUITY AND LIABILITIES** | 5,798 | 4,895 |

**FOR WOCKHARDT LIMITED**

H F KHORAKIWALA
CHAIRMAN
DIN: 00045608

Mumbai
Date : May 30, 2022

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Global Headquarters: Wockhardt Towers, Bandra Kurla Complex, Bandra (East), Mumbai 400 051

## AUDITED CASH FLOW STATEMENT FOR YEAR ENDED MARCH 31, 2022

(Rs. in Crore)

| PARTICULARS | YEAR ENDED 31/03/2022 | YEAR ENDED 31/03/2021 |
|---|---|---|
| (Refer notes below) | Audited | Audited |
| **Cash flow from/(used in) Operating activities** | | |
| Loss before tax from Continuing Operations | (184) | (623) |
| Profit before tax from Discontinued Operations | - | 1,484 |
| **Adjustments for:** | | |
| Profit from Transfer of Business Undertaking | - | (1,470) |
| Impairment loss on nutrition business assets | - | 142 |
| Depreciation and amortisation expense | 171 | 184 |
| Allowance for expected credit loss, Doubtful advances and Bad debts provision | - | 7 |
| Reversal of allowance for expected credit loss and Bad debts recovered | (14) | - |
| Loss on assets sold/write off of fixed assets (net) | 2 | |
| Finance costs | 273 | 200 |
| Net foreign exchange fluctuation gain | (10) | (20) |
| Interest income | (8) | (18) |
| Employee share based payments expenses | 1 | 2 |
| Liabilities no longer required written back | (2) | (14) |
| Guarantee fees income | (3) | (8) |
| | **226** | **(134)** |
| **Movements in Working capital** | | |
| Increase in Inventories | (39) | (30) |
| (Increase)/Decrease in Trade receivables | (298) | 13 |
| Increase in Loans and Advances and other assets | (128) | (52) |
| Increase/(Decrease) in Liabilities and provisions | 60 | (113) |
| Increase/(Decrease) in Trade payables | 165 | (136) |
| **Cash used in from operations** | **(14)** | **(452)** |
| Income tax paid | (79) | (111) |
| **Net cash outflow from Operating activities** | **(93)** | **(563)** |
| **Cash flow from/(used in) Investing activities** | | |
| Purchase of property, plant and equipment and capital work-in progress | (52) | (17) |
| Proceeds from sale of Property, Plant and Equipment | 1 | 1 |
| Purchase of Intangible assets and Intangible assets under development | (202) | (509) |
| Consideration received from Transfer of Business Undertaking, net | - | 1,534 |
| Investment in subsidiary * | - | - |
| * Rs. (0.05) crore ( Previous year - Rs. Nil) | | |
| Margin money under lien and Bank balances (other than cash and cash equivalents) | 7 | (9) |
| Interest received | 2 | 14 |
| **Net cash (outflow)/inflow Investing activities** | **(244)** | **1,014** |
| **Cash flow from/(used in) Financing activities** | | |
| Proceeds from Issuance of Equity share capital under ESOP * | - | - |
| * Rs. 0.02 crore (Previous year - Rs. 0.02 crore) | | |
| Proceeds from Issuance of Equity share capital under Right Issue | 748 | - |
| Transaction cost related to Right Issue | (1) | - |
| Redemption of Preference shares | - | (330) |
| Premium on redemption of Preference shares | - | (24) |
| Proceeds from long-term borrowings | 49 | - |
| Issue of non-convertible debentures | 237 | - |
| Repayment of long-term borrowings (other than preference shares above) | (289) | (191) |
| Short-term borrowings (net) | (134) | 29 |
| Loans from Related parties | 1,348 | 410 |
| Repayment of loans taken from Related parties | (1,302) | (149) |
| Repayment of Lease liabilities ( refer note 3 below) | (75) | (72) |
| Finance costs paid (including preference dividend) | (149) | (152) |
| Equity Dividend paid to IEPF | (2) | (1) |
| **Net cash inflow/(outflow) from Financing activities** | **430** | **(480)** |
| **Net Increase/(Decrease) in Cash and Cash equivalents** | **93** | **(29)** |
| Cash and cash equivalents as at the beginning of the year | 79 | 108 |
| **Cash and cash equivalents as at the end of the year** | **172** | **79** |

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

| | As at 31/03/2022 | As at 31/03/2021 |
|---|---|---|
| **Cash and cash equivalents as per above comprise of the following** | | |
| Cash * | - | - |
| * Rs. 0.09 crore (Previous year - Rs. 0.08 crore) | | |
| Balance with banks: | | |
| - in current account | 172 | 79 |
| **Balance as per the Statement of cash flows** | **172** | **79** |

**Notes:**

1. The above statement of cash flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.

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

3. Repayment of lease liabilities consists of:
   Payment of interest Rs. 42 crore (Previous period - Rs. 44 crore)
   Payment of Principal Rs. 33 crore (Previous period - Rs. 28 crore)

4. The cash flows of the Discontinued Operations for the period are presented below:

(Rs. in Crore)

| Particulars | YEAR ENDED 31/03/2022 | YEAR ENDED 31/03/2021 |
|---|---|---|
| Net cash inflow from Operating activities | - | 6 |
| Net cash inflow from Investing activities | - | 1,534 |
| Net cash inflow from Financing activities | - | - |

5. Figures in bracket indicate cash outflow.

**FOR WOCKHARDT LIMITED**

**H F KHORAKIWALA**
CHAIRMAN
DIN: 00045608

Mumbai
Date : May 30, 2022

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# Independent Auditor's Report

## To the Board of Directors of Wockhardt Limited

## Report on the audit of the Consolidated Annual Financial Results

### Opinion

We have audited the accompanying consolidated annual financial results of Wockhardt Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), for the year ended 31 March 2022, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial results of the subsidiaries, the aforesaid consolidated annual financial results:

a. include the annual financial results of the following entities:

| Sr. No. | Name of component | Relationship |
|---|---|---|
| 1 | Wockhardt Limited | Parent Company |
| 2 | Wockhardt UK Holdings Limited (including its following subsidiaries and its step-down subsidiaries)<br>a) Wallis Group Limited<br>b) The Wallis Laboratory Limited<br>c) Wallis Licensing Limited<br>d) Wockhardt Farmaceutica Do Brasil Ltda | Wholly Owned Subsidiary |
| 3 | Wockhardt Infrastructure Development Limited | Wholly Owned Subsidiary |
| 4 | Wockhardt Europe Limited (including its following wholly owned subsidiary)<br>a) Wockhardt Nigeria Limited | Wholly Owned Subsidiary |
| 5 | Wockhardt Medicines Limited | Wholly Owned Subsidiary |
| 6 | Wockhardt Biologics Limited | Wholly Owned Subsidiary |
| 7 | Wockhardt Bio AG<br>(including its following subsidiaries and its step-down subsidiaries)<br>a) CP Pharmaceuticals Limited<br>b) CP Pharma (Schweiz) AG | Subsidiary |

| | | |
|---|---|---|
| | c) Z & Z Services GmbH<br>d) Wockhardt UK Limited<br>e) Wockpharma Ireland Limited<br>f) Pinewood Laboratories Limited<br>g) Pinewood Healthcare Limited<br>h) Laboratories Negma S.A.S.<br>i) Wockhardt France (Holdings) S.A.S.<br>j) Wockhardt Holding Corp.<br>k) Wockhardt USA LLC<br>l) Morton Grove Pharmaceuticals Inc.<br>m) MGP Inc.<br>n) Laboratories Pharma 2000 S.A.S.<br>o) Niverpharma S.A.S.<br>p) Negma Beneulex S.A.<br>q) Phytex S.A.S.<br>r) Wockhardt Farmaceutica SA DE CV<br>s) Wockhardt Services SA DE CV<br>t) Wockhardt Bio (R) LLC<br>u) Wockhardt Bio Pty Limited<br>v) Wockhardt Bio Limited | |

b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of consolidated net loss and other comprehensive income and other financial information of the Group for the year ended 31 March 2022.

## Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results* 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us,along with the consideration of reports of the other auditors referred to in sub paragraph no. (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated annual financial results.

## Management's and Board of Directors' Responsibilities for the Consolidated Annual Financial Results

These consolidated annual financial results have been prepared on the basis of the consolidated annual financial statements.

The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net profit/ loss and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results 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 annual financial results by the Management and the Board of Directors of the Holding Company, as aforesaid.

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

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

## Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial results 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 annual financial results.

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 annual financial results, 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 through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual financial results 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 annual financial results, including the disclosures, and whether the consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results of the entities within the Group to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial results of such entities included in the consolidated annual financial results of which we are the independent auditors. For the other entities included in the consolidated annual financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in sub paragraph no. (a) of the "Other Matters" paragraph in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated annual financial results 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.

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

## Other Matter(s)

a. The consolidated annual financial results include the audited financial results of twenty two (22) subsidiaries, whose financial results reflect total assets (before consolidation adjustments) of Rs. 6,906 crores as at 31 March 2022, total revenue (before consolidation adjustments) of Rs. 2,632 crores and total net loss after tax (before consolidation adjustments) of Rs. 343 crores and net cash inflows (before consolidation adjustments) of Rs 44 crores for the year ended on that date, as considered in the consolidated annual financial results, which have been audited by their respective independent auditors. The independent auditor's reports on financial results of these entities have been furnished to us by the management.

Our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the reports of such auditors and the procedures performed by us are as stated in paragraph above.

Our opinion on the consolidated annual financial results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

b. The consolidated annual financial results include the unaudited financial results of four (4) subsidiaries, whose financial results reflect total assets (before consolidation adjustments) of Rs. 102 crores as at 31 March 2022, total revenue (before consolidation adjustments) of Rs. 0.0 crores, total net loss after tax (before consolidation adjustments) of Rs. 0.0 crores and net cash inflows (before consolidation adjustments) of Rs 0.0 crores for the year ended on that date, as considered in the consolidated annual financial results. These unaudited financial results have been furnished to us by the Board of Directors.

Our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such financial results. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial results are not material to the Group.

Our opinion on the consolidated annual financial results is not modified in respect of the above matter with respect to the financial results certified by the Board of Directors.

## Independent Auditor's Report *(Continued)*

## Wockhardt Limited

c. The consolidated annual financial results include the results for the quarter ended 31 March 2022 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022

**Koosai Lehery**

*Partner*

Membership No.: 112399

UDIN:22112399AJWDFS8535

Mumbai

30 May 2022

## 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
Tel: 91 22 2653 4444; Fax: 91 22 2652 3905; e-mail id: investorrelations@wockhardt.com, Website: www.wockhardt.com

(Rs. In Crore except per share data)

### STATEMENT OF CONSOLIDATED AUDITED RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022

| | PARTICULARS | 3 MONTHS ENDED 31/03/2022 | 3 MONTHS ENDED 31/12/2021 | 3 MONTHS ENDED 31/03/2021 | YEAR ENDED 31/03/2022 | YEAR ENDED 31/03/2021 |
|---|---|---|---|---|---|---|
| | (Refer Notes Below) | Audited (Refer Note 9) | Unaudited | Audited (Refer Note 9) | Audited | Audited |
| 1 | **Income from Continuing Operations** | | | | | |
| | (a) Revenue from Continuing operations | 655 | 854 | 632 | 3,230 | 2,708 |
| | (b) Other Income | 14 | 2 | 8 | 20 | 132 |
| | **Total Income** | 669 | 856 | 640 | 3,250 | 2,840 |
| 2 | **Expenses from Continuing Operations** | | | | | |
| | (a) Cost of materials consumed | 161 | 153 | 172 | 612 | 682 |
| | (b) Purchase of stock-in-trade | 116 | 145 | 109 | 568 | 580 |
| | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | (2) | 34 | 28 | 87 | (127) |
| | (d) Employee benefits expense | 181 | 198 | 161 | 749 | 763 |
| | (e) Finance costs | 86 | 80 | 55 | 299 | 249 |
| | (f) Depreciation and amortisation expense | 59 | 62 | 65 | 247 | 246 |
| | (g) Exchange fluctuation loss / (gain), net | - | 2 | (14) | - | 2 |
| | (h) Other expenses | 232 | 210 | 242 | 916 | 871 |
| | **Total expenses** | 833 | 884 | 818 | 3,478 | 3,266 |
| 3 | **Loss before exceptional items and tax from Continuing Operations (1-2)** | (164) | (28) | (178) | (228) | (426) |
| 4 | Discontinued Operations | | | | | |
| | **Profit before exceptional items and tax from Discontinued Operations** | - | - | - | - | 14 |
| 5 | **Exceptional items- credit/(charge)** | | | | | |
| | a) Continuing Operations- (Refer note 4) | (183) | - | - | (183) | (142) |
| | b) Discontinued Operations- (Refer note 3) | - | - | - | - | 1,470 |
| | **Total Exceptional Items** | (183) | - | - | (183) | 1,328 |
| 6 | **Loss after exceptional items before tax from Continuing Operations (3 ± 5a)** | (347) | (28) | (178) | (411) | (568) |
| 7 | Tax expense of Continuing operations : | | | | | |
| | Current tax - (credit)/ charge | (4) | 6 | (32) | 33 | (120) |
| | Tax pertaining to earlier years | 5 | - | - | 5 | - |
| | Deferred tax - credit (Net) | (37) | (36) | (39) | (170) | (151) |
| 8 | **Net Profit/ (Loss) from Continuing Operations (6 ± 7)** | (311) | 2 | (107) | (279) | (297) |
| 9 | **Profit after exceptional items before tax from Discontinued Operations (4 ± 5b)** | - | - | - | - | 1,484 |
| 10 | Tax expense of Discontinued operations: | | | | | |
| | Current tax - charge | - | - | - | - | 312 |
| | Deferred tax - charge (Net) | - | - | - | - | 187 |
| 11 | **Profit from Discontinued Operations (9 ± 10)** | - | - | - | - | 985 |
| 12 | **Profit / (Loss) for the period (8 ±11)** | (311) | 2 | (107) | (279) | 688 |
| | Attributable to : | | | | | |
| | Equity shareholders of the Company | (258) | (7) | (93) | (244) | 686 |
| | Non - Controlling Interest | (53) | 9 | (14) | (35) | 2 |
| 13 | **Other Comprehensive Income from Continuing Operations** | | | | | |
| | (a) Items that will not be reclassified to Profit or Loss - (charge)/ credit (consisting of re-measurement of net defined benefit (liability) / asset) | (7) | (6) | (26) | (24) | (23) |
| | (b) Income tax relating to items that will not be reclassified to Profit or Loss - credit/(charge) | 1 | 1 | 6 | 5 | 4 |
| | (c) Items that will be reclassified to Profit or Loss - (charge)/ credit (Consisting of Exchange differences on translating the financial statements of foreign operations) | 1 | (18) | (36) | (8) | 15 |
| | (d) Other Comprehensive Income (Net of tax) from continuing operations (a ± b ± c) | (5) | (23) | (56) | (27) | (4) |
| 14 | **Other Comprehensive Income from Discontinued Operations** | | | | | |
| | (a) Items that will not be reclassified to Profit or Loss - (charge)/ credit (consisting of re-measurement of net defined benefit (liability)/ asset) | - | - | - | - | (0.04) |
| | (b) Income tax relating to items that will not be reclassified to Profit or Loss - credit/(charge) | - | - | - | - | 0.01 |
| | (c) Other Comprehensive Income (Net of tax) from discontinued operations (a ± b) | - | - | - | - | (0.03) |
| 15 | **Total Comprehensive Income (12 ± 13 (d) ± 14 (c))** | (316) | (21) | (163) | (306) | 684 |
| | Attributable to : | | | | | |
| | Equity shareholders of the Company | (270) | (20) | (149) | (276) | 686 |
| | Non - Controlling Interest | (46) | (1) | (14) | (30) | (2) |
| 16 | Paid-up equity share capital (face value of Rs. 5/- each) | 72 | 55 | 55 | 72 | 55 |
| 17 | Other Equity excluding Revaluation Reserves as per Balance Sheet | | | | 3,777 | 3,321 |
| 18 | Earnings per equity share for continuing operations (face value of Rs. 5/- each) (*not annualised) | | | | | |
| | (a) Basic (Rs.) | (21.20)* | (0.56)* | (7.72)* | (20.24) | (24.90) |
| | (b) Diluted (Rs.) | (21.20)* | (0.56)* | (7.72)* | (20.24) | (24.90) |
| | Earnings per equity share for discontinued operations (face value of Rs. 5/- each) (*not annualised) | | | | | |
| | (a) Basic (Rs.) | - | - | - | - | 82.01 |
| | (b) Diluted (Rs.) | - | - | - | - | 81.62 |
| | Earnings per equity share for continuing and discontinued operations (face value of Rs. 5/- each) (*not annualised) | | | | | |
| | (a) Basic (Rs.) | (21.20)* | (0.56)* | (7.72)* | (20.24) | 57.11 |
| | (b) Diluted (Rs.) | (21.20)* | (0.56)* | (7.72)* | (20.24) | 56.80 |

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Chartered Accountants

**Notes To Consolidated Results:-**

1) The results were reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on May 30, 2022.The Statutory Auditors have expressed an unmodified audit opinion with respect to the Audited Financial Results of the Company for the quarter/year ended March 31, 2022.

2) The Consolidated Results relate to Wockhardt Limited ('the Company' or 'the Holding Company') and its Subsidiaries (together constitute 'the Group') and are prepared by applying Ind AS 110 - "Consolidated Financial Statements".

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

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

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

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

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

4) Wockhardt USA LLC, Morton Grove Pharmaceuticals, Inc., and Wockhardt Limited ( collectively "Wockhardt") have entered into a settlement term sheet with the State of Texas on February 8, 2022 in regard to Civil Investigative Demand ('CID') with respect to submission of price information and updates to Texas Medicaid. Wockhardt has agreed to pay USD 36 million and interest over nine instalments between 2022 and 2025.

The Company's US Subsidiary has made provision of Rs 51 crores in the previous year ended March 31, 2021 and further provision of Rs 67 crores was made in September 30, 2021. During the quarter and year ended March 31, 2022 the Company has created additional provision and presented Rs. 183 crores (charge for the year) based on its present value as an 'Exceptional Items- Continuing operations'.

5) During the year, in accordance with provisions of the Companies Act and other related laws, the Company offered its shareholders to subscribe to a right issue of 33,244,650 equity shares at an issue price of Rs. 225 per share. The issue was fully subscribed. Basic and diluted earnings per share for the year ended March 31, 2022, March 31, 2021 and previous quarters have been adjusted appropriately for the bonus element in respect of rights issue.

6) **Key Financials on Standalone basis:**

(Rs. in Crore)

| PARTICULARS | 3 MONTHS ENDED 31/03/2022 | 3 MONTHS ENDED 31/12/2021 | 3 MONTHS ENDED 31/03/2021 | YEAR ENDED 31/03/2022 | YEAR ENDED 31/03/2021 |
|---|---|---|---|---|---|
| | Audited | Unaudited | Audited | Audited | Audited |
| Total Income (continuing operation) | 496 | 312 | 270 | 1,410 | 1,028 |
| Profit/ (Loss) before tax from continuing operation | 87 | (104) | (113) | (184) | (623) |
| Profit/ (Loss) after tax from continuing operation | 40 | (67) | (47) | (140) | (392) |
| Profit before tax from discontinued operation | - | - | - | - | 1,484 |
| Profit after tax from discontinued operation | - | - | - | - | 985 |

Note: The audited standalone results have been filed with the Stock Exchanges under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are available on the Stock Exchanges websites (www.nseindia.com and www.bseindia.com ) and also on the Company's website www.wockhardt.com.

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

8) During the quarter ended March 31, 2022 , the Company has allotted Nil (Year to date 34,350) Equity shares of face value of Rs. 5/- each pursuant to exercise of employee stock options.

9) Figures for the quarter ended March 31, 2022 and March 31, 2021 are the balancing figures between the audited figures of the full financial year and the reviewed figures upto the third quarter of the relevant financial year.

10) The Group is exclusively into Pharmaceutical business Segment.

11) For List of Subsidiaries as on March 31, 2022 please refer Annexure.

12) All the amounts have been rounded off to the nearest crore except per share data. Till December 31, 2021 all the amount have been rounded off to the nearest crore and two decimal thereof except per share data.

13) Previous period / year figures have been recast / re-grouped / re-classified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective April 01, 2021.

FOR WOCKHARDT LIMITED

H F KHORAKIWALA
CHAIRMAN
DIN: 00[illegible]508

Mumbai
Date : May 30, 2022

BSR & Co. LLP
14th Floor,
Central B Wing and
North C Wing,
Nesco IT Park4,
Nesco Center,
Western Express Highway,
Goregaon (East),
Mumbai - 400 063
Chartered Accountants

**WOCKHARDT LIMITED**

Registered Office: D-4 MIDC, Chikalthana, Aurangabad - 431 006

Global Headquarters: Wockhardt Towers, Bandra Kurla Complex, Bandra (East), Mumbai 400 051

## STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES

(Rs. In Crore)

| | PARTICULARS | As at Year End 31/03/2022 | As at Year End 31/03/2021 |
|---|---|---|---|
| | | Audited | Audited |
| A) | **ASSETS** | | |
| 1 | **Non- Current assets** | | |
| | (a) Property, Plant and Equipment | 1,908 | 1,719 |
| | (b) Right of use assets | 563 | 592 |
| | (c) Capital work-in-progress | 389 | 603 |
| | (d) Goodwill | 891 | 904 |
| | (e) Other Intangible assets | 100 | 128 |
| | (f) Intangible assets under development | 953 | 776 |
| | (g) Financial assets | | |
| | (i) Investments* | - | - |
| | * Rs. 0.45 crore (Previous year - Rs. 0.45 crore) | | |
| | (ii) Other non- current financial assets | 62 | 42 |
| | (h) Non-current tax assets (Net) | 112 | 117 |
| | (i) Deferred tax assets (Net) | 573 | 398 |
| | (j) Other non-current assets | 103 | 70 |
| | **Sub-total - Non-current assets** | 5,654 | 5,349 |
| 2 | **Current assets** | | |
| | (a) Inventories | 769 | 799 |
| | (b) Financial assets | | |
| | (i) Trade receivables | 918 | 918 |
| | (ii) Cash and cash equivalents | 370 | 232 |
| | (iii) Bank balance (other than Cash and cash equivalents) | 36 | 60 |
| | (iv) Other current financial assets | 12 | 33 |
| | (c) Other current assets | 340 | 239 |
| | (d) Asset classified as held for sale | 144 | 144 |
| | **Sub-total - Current assets** | 2,589 | 2,425 |
| | **TOTAL ASSETS** | 8,243 | 7,774 |
| B) | **EQUITY AND LIABILITIES** | | |
| 1 | **Equity** | | |
| | (a) Equity share capital | 72 | 55 |
| | (b) Other Equity | 3,777 | 3,321 |
| | **Equity attributable to the share holders of the Company** | 3,849 | 3,376 |
| | (c) Non - Controlling Interest | 353 | 383 |
| | **Sub-total- Equity** | 4,202 | 3,759 |
| 2 | **Liabilities** | | |
| I. | **Non- Current liabilities** | | |
| | (a) Financial liabilities | | |
| | i) Borrowings | 355 | 503 |
| | ii) Lease Liabilities | 267 | 279 |
| | iii) Other non-current financial liabilities | 152 | - |
| | (b) Provisions | 32 | 84 |
| | (c) Deferred tax liabilities (Net) | 28 | 28 |
| | **Sub-total- Non-current liabilities** | 834 | 894 |
| II. | **Current liabilities** | | |
| | (a) Financial liabilities | | |
| | (i) Borrowings | 1,507 | 1,829 |
| | (ii) Lease Liabilities | 69 | 63 |
| | (iii) Trade payables | 921 | 696 |
| | (iv) Other current financial liabilities | 554 | 229 |
| | (b) Other current liabilities | 101 | 175 |
| | (c) Provisions | 37 | 60 |
| | (d) Current tax liabilities (Net) | 18 | 69 |
| | (e) Liabilities classified as held for sale | - | - |
| | **Sub-total- Current liabilities** | 3,207 | 3,121 |
| | **Total Liabilities** | 4,041 | 4,015 |
| | **TOTAL EQUITY AND LIABILITIES** | 8,243 | 7,774 |

FOR WOCKHARDT LIMITED

H F KHORAKIWALA
CHAIRMAN
DIN: 00045608

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Date : May 30, 2022

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## CONSOLIDATED AUDITED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

(Rs in crore)

| | PARTICULARS | YEAR ENDED 31/03/2022 | YEAR ENDED 31/03/2021 |
|---|---|---|---|
| | (Refer notes below) | Audited | Audited |
| A | **CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES:** | | |
| | Loss before tax from Continuing Operations | (411) | (568) |
| | Profit before tax from Discontinued Operations | - | 1,484 |
| | **Adjustments for :** | | |
| | Profit from Transfer of Business Undertaking | - | (1,470) |
| | Impairment loss on nutrition business assets | - | 142 |
| | Depreciation and amortization expense | 247 | 246 |
| | Allowance for credit loss, doubtful advance and bad debts provision | 20 | 7 |
| | Loss on assets sold/ write off of fixed assets (net) | 6 | 10 |
| | Profit from sale of intellectual property and marketing rights | - | (95) |
| | Finance costs | 299 | 249 |
| | Exchange loss/ (gain) | (11) | 2 |
| | Interest income | (6) | (21) |
| | Employee share based payments expenses | 1 | 2 |
| | Liabilities no longer required written back | (2) | (15) |
| | | 143 | (27) |
| | **Movements in Working capital** | | |
| | Decrease/(Increase) in inventories | 90 | (107) |
| | Decrease in trade receivables | 7 | 347 |
| | (Increase) in Loans and Advances and other assets | (113) | (96) |
| | Increase/(Decrease) in Liabilities and provisions | 457 | (277) |
| | Adjustment for translation difference | (14) | (10) |
| | **Cash generated/ (used in) from operations** | 510 | (170) |
| | Income taxes paid | (97) | (117) |
| | **Net cash generated/(used in) from Operating Activities (A)** | 413 | (287) |
| B | **CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES:** | | |
| | Purchase of Property, Plant and Equipment and Capital work-in progress | (118) | (81) |
| | Purchase of Intangible assets and Addition in Intangible asset under development | (94) | (85) |
| | Proceeds from sale of property, plant and equipment | 1 | 1 |
| | Consideration received from Transfer of Business Undertaking, net | - | 1,535 |
| | Consideration on sale of intellectual property and marketing rights, net | - | 96 |
| | Margin money under lien and Bank balances (other than cash and cash equivalents) | 7 | (10) |
| | Interest received | 3 | 14 |
| | **Net cash (used in)/ from Investing Activities (B)** | (201) | 1,470 |
| C | **CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES** | | |
| | Proceeds from issuance of Equity share capital under ESOP* | - | - |
| | * Rs. 0.02 crore (Previous year - Rs. 0.02 crore) | | |
| | Proceeds from issuance of Equity share capital under Right Issue | 748 | - |
| | Transaction cost related to Right Issue | (1) | - |
| | Proceeds from long-term borrowings | 49 | - |
| | Redemption of preference shares | - | (330) |
| | Issue of Non-convertible debentures | 237 | - |
| | Repayment of long-term borrowings (other than preference shares above) | (786) | (783) |
| | Short-term borrowings (net) | (101) | 29 |
| | Loans from related parties | 1,348 | 410 |
| | Repayment of loans taken from Related parties | (1,302) | (172) |
| | Repayment of Lease liabilities ( refer note 3 below) | (71) | (65) |
| | Finance costs paid (including preference dividend) | (190) | (235) |
| | Premium on redemption of preference shares | - | (24) |
| | Equity Dividend paid (including dividend distribution tax, if any) to IEPF | (2) | (1) |
| | **Net cash used in Financing Activities (C )** | (71) | (1,171) |
| | **NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)** | 141 | 12 |
| | **CASH AND CASH EQUIVALENTS, at beginning of the year** | 232 | 219 |
| | Effects of exchange rate changes on cash and cash equivalents | (3) | (2) |
| | Exchange difference on translation of foreign cash and cash equivalent* | - | 3 |
| | *Rs. 0.09 crore | | |
| | **CASH AND CASH EQUIVALENTS, at end of the year** | 370 | 232 |
| | **Components of cash and cash equivalents:** | | |
| | Cash on hand* | - | - |
| | * Rs. 0.09 crore (Previous year - Rs. 0.10 crore) | | |
| | **Balance with banks:** | | |
| | - In current accounts | 370 | 232 |
| | | 370 | 232 |

Notes:

1. The above statement of cash flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.

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

3. Repayment of lease liabilities consists of:

   Payment of interest ₹ 31 crore (Previous year: ₹ 33 crore)

   Payment of principal ₹ 40 crore (Previous year: ₹ 32 crore)

4. The cash flows of the Discontinued Operations for the year are presented below: (Rs. in Crore)

| Particulars | YEAR ENDED 31/03/2022 | YEAR ENDED 31/03/2021 |
|---|---|---|
| Net cash inflow from Operating activities | - | 6 |
| Net cash inflow from Investing activities | - | 1,534 |
| Net cash inflow from Financing activities | - | - |

5. Figures in bracket indicate cash outflow.

FOR WOCKHARDT LIMITED

H F KHORAKIWALA
CHAIRMAN
DIN: 00045608

Mumbai
Date : May 30, 2022

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**Annexure to Note 11 of Consolidated audited Results for the Quarter and Year ended March 31, 2022**

**List of Subsidiaries as on March 31, 2022**

1 Wockhardt UK Holdings Limited
2 CP Pharmaceuticals Limited
3 CP Pharma (Schweiz) AG
4 Wallis Group Limited
5 The Wallis Laboratory Limited
6 Wockhardt Farmaceutica Do Brasil Ltda
7 Wallis Licensing Limited
8 Wockhardt Infrastructure Development Limited
9 Z & Z Services GmbH
10 Wockhardt Europe Limited
11 Wockhardt Nigeria Limited
12 Wockhardt USA LLC
13 Wockhardt UK Limited
14 Wockpharma Ireland Limited
15 Pinewood Laboratories Limited
16 Pinewood Healthcare Limited
17 Laboratoires Negma S.A.S.
18 Wockhardt France (Holdings) S.A.S.
19 Wockhardt Holding Corp.
20 Morton Grove Pharmaceuticals Inc.
21 MGP Inc.
22 Laboratoires Pharma 2000 S.A.S.
23 Niverpharma S.A.S.
24 Negma Beneulex S.A.
25 Phytex S.A.S.
26 Wockhardt Farmaceutica SA DE CV
27 Wockhardt Services SA DE CV
28 Wockhardt Bio AG
29 Wockhardt Bio (R) LLC
30 Wockhardt Bio Pty Limited
31 Wockhardt Bio Limited
32 Wockhardt Medicines Limited
33 Wockhardt Biologics Limited (w.e.f. July 2, 2021)

B S R & Co. LLP
Chartered Accountants

14th Floor, Central B Wing and North C Wing,
Nesco IT Park 4, Nesco Center,
Western Express Highway,
Goregaon (East), Mumbai – 400063, India
Telephone: +91 (22) 6257 1000
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# Independent Auditor's Report

## To the Board of Directors of Wockhardt Limited

## Report on the audit of the Standalone Annual Financial Results

### Opinion

We have audited the accompanying standalone annual financial results of Wockhardt Limited (hereinafter referred to as the "Company") for the year ended 31 March 2023, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone annual financial results:

a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net loss and other comprehensive income and other financial information for the year ended 31 March 2023

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results* section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the standalone annual financial results.

### Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit/ loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33

of the Listing Regulations. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results

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

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 annual financial results, 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 through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone annual financial results 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 annual financial results, including the disclosures, and whether the standalone annual financial results 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.

## Other Matter(s)

a. The standalone annual financial results include the results for the quarter ended 31 March 2023 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022

**Koosai Lehery**

*Partner*

Membership No.: 112399

UDIN:23112399BGXWIP1627

Mumbai

26 May 2023

**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

Tel: 91 22 2653 4444 ; Fax: 91 22 2652 3905; e-mail id : investorrelations@wockhardt.com; Website: www.wockhardt.com

(Rs in Crore except per share data)

**STATEMENT OF STANDALONE AUDITED RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2023**

| | PARTICULARS | 3 MONTHS ENDED 31/03/2023 | 3 MONTHS ENDED 31/12/2022 | 3 MONTHS ENDED 31/03/2022 | YEAR ENDED 31/03/2023 | YEAR ENDED 31/03/2022 |
|---|---|---|---|---|---|---|
| | (Refer notes below) | Audited (Refer note 8) | Unaudited | Audited (Refer note 8) | Audited | Audited |
| 1 | **Income** | | | | | |
| | (a) Revenue from operations | 291 | 282 | 474 | 1,072 | 1,372 |
| | (b) Other income | 29 | 18 | 22 | 67 | 38 |
| | **Total income** | **320** | **300** | **496** | **1,139** | **1,410** |
| 2 | **Expenses** | | | | | |
| | (a) Cost of materials consumed | 60 | 50 | 59 | 200 | 283 |
| | (b) Purchase of stock-in-trade | 31 | 58 | 36 | 171 | 191 |
| | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 23 | (2) | 11 | 30 | 2 |
| | (d) Employee benefits expense | 52 | 63 | 50 | 240 | 261 |
| | (e) Finance costs | 58 | 52 | 78 | 229 | 273 |
| | (f) Depreciation and amortisation expense | 45 | 47 | 43 | 186 | 171 |
| | (g) Exchange fluctuation loss, net | 58 | - | - | - | - |
| | (h) Other expenses | 97 | 87 | 132 | 361 | 413 |
| | **Total expenses** | **424** | **355** | **409** | **1,417** | **1,594** |
| 3 | **Loss/(profit) before exceptional items and tax (1-2)** | **(104)** | **(55)** | **87** | **(278)** | **(184)** |
| 4 | Exceptional items- charge (refer note 2) | (185) | - | - | (235) | - |
| 5 | **Loss/(profit) after exceptional items before tax (3 ± 4)** | **(289)** | **(55)** | **87** | **(513)** | **(184)** |
| 6 | Tax expense: | | | | | |
| | Current tax | - | - | - | - | - |
| | Tax pertaining to earlier years | - | - | 5 | - | 5 |
| | Deferred tax - (credit)/charge - (Net) | 10 | - | 42 | (47) | (49) |
| 7 | **Net loss after tax (5 ± 6)** | **(299)** | **(55)** | **40** | **(466)** | **(140)** |
| 8 | Other Comprehensive Income: | | | | | |
| | i) Items that will not be reclassified to Profit or Loss - (charge)/credit (consisting of re-measurement of net defined benefit (liability)/asset) | 5 | (0.42) | (1) | 4 | (1) |
| | ii) Income tax relating to items that will not be reclassified to Profit or Loss - credit | - | - | 0.24 | 0.12 | 0.35 |
| | iii) Other Comprehensive Income (net of tax) | 5 | (0.42) | (1) | 4 | (1) |
| 9 | **Total Comprehensive Income (7 ± 8(iii))** | **(294)** | **(55)** | **39** | **(462)** | **(141)** |
| 10 | Paid-up equity share capital (face value of Rs. 5/- each) | 72 | 72 | 72 | 72 | 72 |
| 11 | Other Equity excluding Revaluation Reserves as per balance sheet | | | | 1,681 | 2,140 |
| 12 | Earnings per share (face value of Rs. 5/- each) (*not annualised) | | | | | |
| | (a) Basic (Rs.) | (20.80)* | (3.81)* | 3.24* | (32.40) | (11.62) |
| | (b) Diluted (Rs.) | (20.80)* | (3.81)* | 3.23* | (32.40) | (11.62) |

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Notes To Standalone Results :-

1) The results were reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on May 26, 2023. The Statutory Auditors have expressed an unmodified audit opinion with respect to the Audited Financial Results of the Company for the quarter/year ended March 31, 2023.

2) (a)The Company had accounted for a contract asset of Rs. 50 crores pursuant to a contract manufacturing agreement. The Customer is yet to fulfil its contractual obligations and commitments. Though, the Company is pursuing various options and taking necessary actions related to this matter, given the uncertainty, Company has provided for this contract asset and has disclosed it as 'Exceptional items'.

(b)The Company had received advances for supply of goods from Wockhardt Bio AG, a majorly held foreign subsidiary of the Company, of which USD 89 million had been outstanding as at March 31, 2022. In accordance with the direction of Reserve Bank of India (RBI) / Authorised Dealer (AD) Bank, such advances were supposed to be adjusted only against supply of goods by the Company. Accordingly, this advance amount received was accounted at the historical transaction exchange rate in accordance with Ind AS 21- 'The Effects of Changes in Foreign Exchange Rates'
The Company, as part of normal business, has also been providing services including but not limited to R&D services and assignment of rights over its new chemical entities (NCE) to the aforesaid foreign subsidiary and has outstanding receivables of USD 113 million.
Since the Company has not been able to supply the goods, the Company has received an approval from RBI/ AD on March 10, 2023, for adjustment of the aforesaid advance with these outstanding receivables. Pursuant to this, Company has recognised an exchange loss of Rs. 183 crore on the settlement of the advance and receivables of USD 89 million under 'Exceptional items'. Given that these receivables and advance liability are eliminated on consolidation, this settlement does not have any impact on the consolidated financial results of the Group for the current period.

3) Subsequent to March 31, 2023, the terms of borrowings of Rs. 600 crores from related parties, which were repayable on demand have been revised and now the repayment tenure for such borrowings have been extended to March 31, 2025, with an option to the Company to further renew the loan basis Company's assessment of cash flows and liquidity position on that date. However, such loans have been reported in the balance sheet as at March 31, 2023 as current liability.

4) Revenue for the quarter and year ended March 31, 2022 includes Rs. 152 crore for assignment of intellectual property rights to one of its Subsidiary. The transaction has been eliminated in the Consolidated financial statements.

5) Basic and diluted earnings per share for the quarter and year ended March 31, 2022 have been adjusted appropriately for the bonus element in respect of issue of equity shares by way of rights issue that was completed during the quarter ended March 31, 2022.

6) During the quarter ended March 31, 2023 , the Company has allotted 28,170 (Year to date 28,170 ) Equity shares of face value of Rs. 5/- each pursuant to exercise of employee stock options.

7) Other income for the quarter and year ended March 31, 2023 includes profit on sale of Properties amounting to Rs 29 crore.

8) Figures for the quarter ended March 31, 2023 and March 31, 2022 are the balancing figures between the audited figures of the full financial year and the reviewed figures upto the third quarter of the relevant financial year.

9) The Company is exclusively into Pharmaceutical business Segment.

Mumbai
Date: May 26, 2023

**FOR WOCKHARDT LIMITED**

**H.F KHORAKIWALA**
**CHAIRMAN**
**DIN:00045608**

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Chartered Accountants

**WOCKHARDT LIMITED**

Registered Office: D-4 MIDC, Chikalthana, Aurangabad - 431 006

Global Headquarters: Wockhardt Towers, Bandra Kurla Complex, Bandra (East), Mumbai 400 051

## STATEMENT OF STANDALONE ASSETS AND LIABILITIES

(Rs. in Crore)

| | PARTICULARS | As at Year End 31/03/2023 Audited | As at Year End 31/03/2022 Audited |
|---|---|---|---|
| A) | **ASSETS** | | |
| 1 | **Non- Current assets** | | |
| | (a) Property, plant and equipment | 1,186 | 1,273 |
| | (b) Right of use assets | 371 | 471 |
| | (c) Capital work-in-progress | 56 | 69 |
| | (d ) Intangible assets | 68 | 84 |
| | (e ) Intangible assets under development | 767 | 756 |
| | (f) Financial assets | | |
| | (i) Investments in subsidiaries | 297 | 297 |
| | (ii) Other Investments | - | - |
| | [ Rs. 0.45 crore (Previous year - Rs. 0.45 crore)] | | |
| | (iii) Other non-current financial assets | 63 | 61 |
| | (e ) Income tax assets (Net) | | |
| | (g) Non-current tax assets (Net) | 99 | 94 |
| | (h) Deferred tax assets (Net) | 250 | 204 |
| | (i) Other non-current assets | 100 | 101 |
| | **Sub-total- Non-current assets** | 3,257 | 3,410 |
| 2 | **Current assets** | | |
| | (a) Inventories | 363 | 387 |
| | (b) Financial assets | | |
| | (i) Trade receivables | 551 | 1,292 |
| | (ii) Cash and cash equivalents | 4 | 172 |
| | (iii) Bank balances (other than Cash and cash equivalents) | 33 | 35 |
| | (iv) Loans given | | |
| | (iv) Other current financial assets | 120 | 82 |
| | (c ) Other current assets | 225 | 276 |
| | **Sub-total - Current assets** | 1,296 | 2,244 |
| 3 | Assets classified as held for sale | 179 | 144 |
| | **TOTAL ASSETS** | 4,732 | 5,798 |
| B) | **EQUITY AND LIABILITIES** | | |
| 1 | **Equity** | | |
| | (a) Equity share capital | 72 | 72 |
| | (b) Other Equity | 1,681 | 2,140 |
| | **Sub-total- Equity** | 1,753 | 2,212 |
| 2 | **Liabilities** | | |
| I. | **Non- Current liabilities** | | |
| | (a) Financial liabilities | | |
| | (i) Borrowings | 12 | 146 |
| | (ii) Lease Liabilities | 315 | 359 |
| | (b) Provisions | 26 | 32 |
| | **Sub-total- Non-current liabilities** | 353 | 537 |
| II. | **Current liabilities** | | |
| | (a) Financial liabilities | | |
| | (i) Borrowings | 1,608 | 1,444 |
| | (ii) Lease Liabilities | 78 | 75 |
| | (iii) Trade payables | | |
| | a. Total outstanding dues of Micro enterprises and Small enterprises | 33 | 45 |
| | b. Total outstanding dues of creditors other than micro enterprises and small enterprises | 524 | 547 |
| | (iv) Other current financial liabilities | 268 | 280 |
| | (b) Other current liabilities | 88 | 638 |
| | (c) Provisions | 25 | 28 |
| | (d) Current tax liabilities (Net) | 2 | 2 |
| | **Sub-total- Current liabilities** | 2,626 | 3,049 |
| | **Total Liabilities** | 2,979 | 3,586 |
| | **TOTAL EQUITY AND LIABILITIES** | 4,732 | 5,798 |

**FOR WOCKHARDT LIMITED**

**H F KHORAKIWALA**
CHAIRMAN
DIN: 00045605

Mumbai
Date : May 26, 2023

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Chartered Accountants

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**AUDITED CASH FLOW STATEMENT FOR YEAR ENDED MARCH 31, 2023**

(Rs. in Crore)

| PARTICULARS | YEAR ENDED 31/03/2023 | YEAR ENDED 31/03/2022 |
|---|---|---|
| (Refer notes below) | Audited | Audited |
| **Cash flow from/(used in) Operating activities** | | |
| Loss before tax | (513) | (184) |
| **Adjustments for:** | | |
| Provision against contract assets | 50 | - |
| Depreciation and amortisation expense | 186 | 171 |
| Reversal of allowance for expected credit loss and Bad debts | (14) | (14) |
| (Profit)/Loss on assets sold/write off of fixed assets (net) | (29) | 2 |
| Finance costs | 229 | 273 |
| Net foreign exchange fluctuation loss/ (gain), net | 17 | (10) |
| Interest income | (4) | (8) |
| Employee share based payments expenses | 1 | 1 |
| Liabilities no longer required written back | (3) | (2) |
| Guarantee fees income | - | (3) |
| | **(80)** | **226** |
| **Movements in Working capital** | | |
| Decrease/(Increase) in Inventories | 24 | (39) |
| Decrease /(Increase) in Trade receivables [Refer Note 2(b) of Notes to Standalone results] | 759 | (298) |
| Increase in Loans and Advances and other assets | (29) | (128) |
| (Decrease) /Increase in Liabilities and provisions [Refer Note 2(b) of Notes to Standalone results] | (569) | 60 |
| (Decrease) /Increase in Trade payables | (29) | 165 |
| **Cash from/(used in) operations** | **76** | **(14)** |
| Income tax paid | (5) | (79) |
| **Net cash (outflow)/inflow from Operating activities** | **71** | **(93)** |
| **Cash flow from/(used in) Investing activities** | | |
| Purchase of property, plant and equipment and capital work-in progress | - | (52) |
| Proceeds from sale of Property, Plant and Equipment | 39 | 1 |
| Purchase of Intangible assets and Intangible assets under development | (47) | (202) |
| Investment in subsidiary* | - | - |
| *[Previous year- Rs. 0.05 crore] | | |
| Margin money under lien and Bank balances (other than cash and cash equivalents) | 3 | 7 |
| Interest received | 2 | 2 |
| **Net cash outflow from Investing activities** | **(3)** | **(244)** |
| **Cash flow from/(used in) Financing activities** | | |
| Proceeds from Issuance of Equity share capital under Right Issue | - | 748 |
| Transaction cost related to Right Issue | (3) | (1) |
| Proceeds from Issuance of Equity share capital under ESOS* | | |
| * Rs. 0.01 crore (Previous year- Rs. 0.02 crore) | | |
| Proceeds from long-term borrowings | - | 49 |
| Issue of non-convertible debentures | - | 237 |
| Repayment of Long-term borrowings | (252) | (289) |
| Short-term borrowings (net) | 67 | (134) |
| Loans from Related parties | 328 | 1,348 |
| Repayment of loans taken from Related parties | (116) | (1,302) |
| Repayment of Lease liabilities ( refer note 3 below) | (79) | (75) |
| Finance costs paid | (181) | (149) |
| Equity Dividend paid to IEPF | - | (2) |
| **Net cash (outflow) /inflow from Financing activities** | **(236)** | **430** |
| **Net (Decrease)/ Increase in Cash and Cash equivalents** | **(168)** | 93 |
| Cash and cash equivalents as at the beginning of the year | 172 | 79 |
| **Cash and cash equivalents as at the end of the year** | **4** | **172** |

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

| | As at 31/03/2023 | As at 31/03/2022 |
|---|---|---|
| **Cash and cash equivalents as per above comprise of the following** | | |
| Cash | - | - |
| [Previous period- Rs. 0.09 crore] | | |
| Balance with banks: | | |
| - in current account | 4 | 172 |
| **Balance as per the Statement of cash flows** | **4** | **172** |

**Notes:**

1. The above statement of cash flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.

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

3. Repayment of lease liabilities consists of:
   Payment of interest Rs. 38 crore (Previous year - Rs. 42 crore)
   Payment of Principal Rs. 41 crore (Previous year - Rs. 33 crore)

4. Figures in bracket indicate cash outflow.

**FOR WOCKHARDT LIMITED**

Mumbai
Date : May 26, 2023

**H F KHORAKIWALA**
CHAIRMAN
DIN: 00045608

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# Independent Auditor's Report

## To the Board of Directors of Wockhardt Limited

## Report on the audit of the Consolidated Annual Financial Results

### Opinion

We have audited the accompanying consolidated annual financial results of Wockhardt Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), for the year ended 31 March 2023, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

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 audited financial results of the subsidiaries, the aforesaid consolidated annual financial results:

a. include the annual financial results of the following entities

| Sr. No. | Name of component | Relationship |
|---|---|---|
| 1 | Wockhardt Limited | Parent Company |
| 2 | Wockhardt UK Holdings Limited (including its following subsidiaries and its step-down subsidiaries)<br>a) Wallis Group Limited<br>b) The Wallis Laboratory Limited<br>c) Wallis Licensing Limited<br>d) Wockhardt Farmaceutica Do Brasil Ltda | Wholly Owned Subsidiary |
| 3 | Wockhardt Infrastructure Development Limited | Wholly Owned Subsidiary |
| 4 | Wockhardt Europe Limited (including its following wholly owned subsidiary)<br>a) Wockhardt Nigeria Limited | Wholly Owned Subsidiary |
| 5 | Wockhardt Medicines Limited | Wholly Owned Subsidiary |
| 6 | Wockhardt Biologics Limited | Wholly Owned Subsidiary |

| | | |
|---|---|---|
| 7 | Wockhardt Bio AG<br>(including its following subsidiaries and its step-down subsidiaries)<br>a) CP Pharmaceuticals Limited<br>b) CP Pharma (Schweiz) AG<br>c) Z & Z Services GmbH<br>d) Wockhardt UK Limited<br>e) Wockpharma Ireland Limited<br>f) Pinewood Laboratories Limited<br>g) Pinewood Healthcare Limited<br>h) Laboratories Negma S.A.S.<br>i) Wockhardt France (Holdings) S.A.S.<br>j) Wockhardt Holding Corp.<br>k) Wockhardt USA LLC<br>l) Morton Grove Pharmaceuticals Inc.<br>m) MGP Inc.<br>n) Laboratories Pharma 2000 S.A.S. (upto September 26, 2022)<br>o) Niverpharma S.A.S. (upto September 26, 2022)<br>p) Negma Beneulex S.A. (upto September 23, 2022)<br>q) Phytex S.A.S. (upto September 26, 2022)<br>r) Wockhardt Farmaceutica SA DE CV<br>s) Wockhardt Services SA DE CV<br>t) Wockhardt Bio (R) LLC<br>u) Wockhardt Bio Pty Limited<br>v) Wockhardt Bio Limited | Subsidiary |

b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of consolidated net loss and other comprehensive income and other financial information of the Group for the year ended 31 March 2023.

## Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results* 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us,along with the consideration of reports of the other auditors referred to in sub paragraph no. (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated annual financial results.

## Management's and Board of Directors' Responsibilities for the Consolidated Annual Financial Results

These consolidated annual financial results have been prepared on the basis of the consolidated annual financial statements.

The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net profit/ loss and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results 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 annual financial results by the Management and the Board of Directors of the Holding Company, as aforesaid.

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

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

## Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial results 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 annual financial results.

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 annual financial results, 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 through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated annual financial results made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual financial results 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 annual financial results, including the disclosures, and whether the consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results of the entities within the Group to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial results of such entities included in the consolidated annual financial results of which we are the independent auditors. For the other entities included in the consolidated annual financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in sub paragraph no. (a) of the "Other Matters" paragraph in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated annual financial results 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.

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

## Other Matter(s)

a. The consolidated annual financial results include the audited financial results of 15 subsidiaries, whose financial results reflect total assets (before consolidation adjustments) of Rs. 6,655 crores as at 31 March 2023, total revenue (before consolidation adjustments) of Rs. 2,427 crores and total net loss after tax (before consolidation adjustments) of Rs. 159 crores and net cash outflows (before consolidation adjustments) of Rs. 105 crores for the year ended on that date, as considered in the consolidated annual financial results, which have been audited by their respective independent auditors. The independent auditor's reports on the financial results of these entities have been furnished to us by the management.

   Our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the reports of such auditors and the procedures performed by us are as stated in paragraph above.

   Our opinion on the consolidated annual financial results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

b. The consolidated annual financial results include the unaudited financial information of 12 subsidiaries, whose financial information reflect total assets (before consolidation adjustments) of Rs. 108 crores as at 31 March 2023, total revenue (before consolidation adjustments) of Rs. 0 crores, total net loss after tax (before consolidation adjustments) of Rs. 2 crores and net cash outflows (before consolidation adjustments) of Rs. 2 crores for the year ended on that date, as considered in the consolidated annual financial results. These unaudited financial results have been furnished to us by

the Board of Directors.

Our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such financial results. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial results are not material to the Group.

Our opinion on the consolidated annual financial results is not modified in respect of the above matter with respect to the financial results certified by the Board of Directors.

c. The consolidated annual financial results include the results for the quarter ended 31 March 2023 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022

**Koosai Lehery**

*Partner*

Membership No.: 112399

UDIN:23112399BGXWIQ6828

Mumbai

26 May 2023

**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
Tel: 91 22 2653 4444; Fax: 91 22 2652 3905; e-mail id: investorrelations@wockhardt.com, Website: www.wockhardt.com

(Rs. In Crore except per share data)

**STATEMENT OF CONSOLIDATED AUDITED RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2023**

| | PARTICULARS | 3 MONTHS ENDED 31/03/2023 | 3 MONTHS ENDED 31/12/2022 | 3 MONTHS ENDED 31/03/2022 | YEAR ENDED 31/03/2023 | YEAR ENDED 31/03/2022 |
|---|---|---|---|---|---|---|
| | (Refer Notes Below) | Audited (Refer note 11) | Unaudited | Audited (Refer note 11) | Audited | Audited |
| 1 | **Income** | | | | | |
| | (a) Revenue from operations | 678 | 699 | 655 | 2,651 | 3,230 |
| | (b) Other income | 32 | 2 | 14 | 122 | 20 |
| | **Total income** | **710** | **701** | **669** | **2,773** | **3,250** |
| 2 | **Expenses** | | | | | |
| | (a) Cost of materials consumed | 136 | 134 | 161 | 518 | 612 |
| | (b) Purchase of stock-in-trade | 125 | 133 | 116 | 509 | 568 |
| | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 45 | 53 | (2) | 84 | 87 |
| | (d) Employee benefits expense | 144 | 150 | 181 | 637 | 749 |
| | (e) Finance costs | 76 | 83 | 86 | 302 | 299 |
| | (f) Depreciation and amortisation expense | 56 | 66 | 59 | 251 | 247 |
| | (g) Exchange fluctuation loss, net | 12 | 14 | - | - | - |
| | (h) Other expenses | 213 | 170 | 232 | 802 | 916 |
| | **Total expenses** | **807** | **803** | **833** | **3,103** | **3,478** |
| 3 | **Loss before exceptional items and tax (1-2)** | **(97)** | **(102)** | **(164)** | **(330)** | **(228)** |
| 4 | Exceptional items- charge (Refer note 3,4 and 5) | (96) | (3) | (183) | (294) | (183) |
| 5 | **Loss after exceptional items and before tax (3 ± 4)** | **(193)** | **(105)** | **(347)** | **(624)** | **(411)** |
| 6 | Tax expense: | | | | | |
| | Current tax - charge/ (credit) | 2 | 2 | (4) | 12 | 33 |
| | Tax pertaining to earlier years | - | - | 5 | - | 5 |
| | Deferred tax - (credit)/charge - (Net) | 42 | (5) | (37) | (15) | (170) |
| 7 | **Loss after tax (5 ± 6)** | **(237)** | **(102)** | **(311)** | **(621)** | **(279)** |
| | Attributable to : | | | | | |
| | Equity shareholders of the Company | (208) | (96) | (258) | (559) | (244) |
| | Non - Controlling Interest | (29) | (6) | (53) | (62) | (35) |
| 8 | **Other Comprehensive Income** | | | | | |
| | (a) Items that will not be reclassified to Profit or Loss - (charge)/ credit (consisting of re-measurement of net defined benefit (liability) / asset) | 3 | (4) | (7) | (12) | (24) |
| | (b) Income tax relating to items that will not be reclassified to Profit or Loss - credit/(charge) | 1 | - | 1 | 3 | 5 |
| | (c) Items that will be reclassified to Profit or Loss - (charge)/ credit (Consisting of Exchange differences on translating the financial statements of foreign operations) | 18 | 145 | 1 | 87 | (8) |
| | (d) Other Comprehensive Income (net of tax) (a ± b ± c) | 22 | 141 | (5) | 78 | (27) |
| 9 | **Total Comprehensive Income (7 ± 8 (d))** | **(215)** | **39** | **(316)** | **(543)** | **(306)** |
| | Attributable to : | | | | | |
| | Equity shareholders of the Company | (189) | 48 | (270) | (498) | (276) |
| | Non - Controlling Interest | (26) | (9) | (46) | (45) | (30) |
| 10 | Paid-up equity share capital (face value of Rs. 5/- each) | 72 | 72 | 72 | 72 | 72 |
| 11 | Other Equity excluding Revaluation Reserves as per Balance Sheet | | | | 3,282 | 3,777 |
| 12 | Earnings per equity share (face value of Rs. 5/- each) (*not annualised) | | | | | |
| | (a) Basic (Rs.) | (14.37)* | (6.62)* | (21.20)* | (38.79) | (20.24) |
| | (b) Diluted (Rs.) | (14.37)* | (6.62)* | (21.20)* | (38.79) | (20.24) |

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

**Notes To Consolidated Results:-**

1) The results were reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on May 26, 2023. The Statutory Auditors have expressed an unmodified audit opinion with respect to the Audited Financial Results of the Company for the quarter/year ended March 31, 2023.

2) The Consolidated Results relate to Wockhardt Limited ('the Company' or 'the Holding Company') and its Subsidiaries (together constitute 'the Group') and are prepared by applying Ind AS 110 - "Consolidated Financial Statements".

3) Wockhardt USA LLC, Morton Grove Pharmaceuticals, Inc , and Wockhardt Limited ( collectively "Wockhardt") had entered into a settlement term sheet agreement with the State of Texas on February 8, 2022 in regard to Civil Investigative Demand ('CID') with respect to submission of price information and updates to Texas Medicaid. Wockhardt has agreed to pay USD 36 million and interest over nine instalments between 2022 and 2025.

During the previous year and quarter ended March 31, 2022 the Group had created additional provision and presented Rs. 183 crores (charge for the year) based on its present value as an 'Exceptional Item'.

During the current quarter, the Group has agreed for an early payment schedule for the settlement of the liability. Pursuant to this revision, Group has recorded an additional cost of Rs.11 crores due to unwinding of the discount (basis the original payment schedule).

4) In view of changed pharmaceutical market situation in USA, the Group has initiated various measures including restructuring its business model in US inter-alia by closing down its manufacturing facility in Illinois from September 2022 and will be undertaking its business in USA through contract manufacturing the products sold by it in US/ North America by engaging USFDA approved manufacturing partners, meeting the quality standards acceptable to the Group. Accordingly the Group has provided/ incurred loss of Rs 123 crores w.r.t property , plant and equipment sold/ held for sale, Rs 17 crores for inventory, Rs 80 crores for claims incurred/ expected claims from customers and Rs 13 crores for other costs pursuing to this restructuring and has disclosed these as an exceptional item for the year ended March 31, 2023. The impact of the above matters for the quarter ended March 31, 2023 is Rs. 85 crores

5) The Company had accounted for a contract asset of Rs. 50 crores pursuant to a contract manufacturing agreement. The Customer is yet to fulfill its contractual obligations and commitments. Though, the Company is pursuing various options and taking necessary actions related to this matter, given the uncertainty, Company has provided for this contract asset and has disclosed it as 'Exceptional items'.

6) Subsequent to March 31, 2023, the terms of borrowings of Rs. 600 crores from related parties, which were repayable on demand have been revised and now the repayment tenure for such borrowings have been extended to March 31, 2025, with an option to the Company to further renew the loan basis Company's assessment of cash flows and liquidity position on that date. However, such loans have been reported in the balance sheet as at March 31, 2023 as current liability.

7) Basic and diluted earnings per share for year ended March 31, 2022 have been adjusted appropriately for the bonus element in respect of issue of equity shares by way of rights issue that was completed during the quarter ended March 31, 2022.

8) During the quarter ended March 31, 2023 , the Company has allotted 28,170 (Year to date 28,170 ) Equity shares of face value of Rs. 5/- each pursuant to exercise of employee stock options.

9) **Key Financials on Standalone basis:**

**(Rs. in Crore)**

| PARTICULARS | 3 MONTHS ENDED 31/03/2023 | 3 MONTHS ENDED 31/12/2022 | 3 MONTHS ENDED 31/03/2022 | YEAR ENDED 31/03/2023 | YEAR ENDED 31/03/2022 |
|---|---|---|---|---|---|
| | Audited | Unaudited | Audited | Audited | Audited |
| Total Income | 320 | 300 | 496 | 1,139 | 1,410 |
| Profit/ (Loss) before tax | (289) | (55) | 87 | (513) | (184) |
| Profit/ (Loss) after tax | (299) | (55) | 40 | (466) | (140) |

Note: The audited standalone results have been filed with the Stock Exchanges under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are available on the Stock Exchanges websites (www.nseindia.com and www.bseindia.com ) and also on the Company's website www.wockhardt.com.

10) Other income for the quarter and year ended March 31, 2023 includes profit on sale of Properties amounting to Rs 29 crore.

11) Figures for the quarter ended March 31, 2023 and March 31, 2022 are the balancing figures between the audited figures of the full financial year and the reviewed figures upto the third quarter of the relevant financial year.

12) The Group is exclusively into Pharmaceutical business Segment.

13) For List of Subsidiaries as on March 31, 2023 please refer Annexure.

**FOR WOCKHARDT LIMITED**

**H F KHORAKIWALA**
CHAIRMAN
DIN: 00045608

Mumbai
Date : May 26, 2023

BSR & Co. LLP
14th Floor,
Central B Wing and
North C Wing,
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Nesco Center,
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Goregaon (East),
Mumbai - 400 063
Chartered Accountants

**WOCKHARDT LIMITED**

Registered Office: D-4 MIDC, Chikalthana, Aurangabad - 431 006

Global Headquarters: Wockhardt Towers, Bandra Kurla Complex, Bandra (East), Mumbai 400 051

## STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES

(Rs. in Crore)

| | PARTICULARS | As at Year End 31/03/2023 | As at Year End 31/03/2022 |
|---|---|---|---|
| | | Audited | Audited |
| A) | **ASSETS** | | |
| 1 | **Non- Current assets** | | |
| | (a) Property, Plant and Equipment | 1,558 | 1,908 |
| | (b) Right of use assets | 464 | 563 |
| | (c) Capital work-in-progress | 414 | 389 |
| | (d) Goodwill | 945 | 891 |
| | (e) Other Intangible assets | 75 | 100 |
| | (f) Intangible assets under development | 1,125 | 953 |
| | (g) Financial assets | | |
| | (i) Investments | - | - |
| | Rs. 0.45 crore (Previous year - Rs. 0.45 crore) | | |
| | (ii) Other non- current Financial assets | 64 | 62 |
| | (h) Non-current tax assets (Net) | 115 | 112 |
| | (i) Deferred tax assets (Net) | 608 | 573 |
| | (j) Other non-current assets | 107 | 103 |
| | **Sub-total - Non-current assets** | 5,475 | 5,654 |
| 2 | **Current assets** | | |
| | (a) Inventories | 658 | 769 |
| | (b) Financial assets | | |
| | (i) Trade receivables | 797 | 918 |
| | (ii) Cash and cash equivalents | 90 | 370 |
| | (iii) Bank balance (other than Cash and cash equivalents) | 34 | 36 |
| | (iv) Other current Financial assets | 26 | 12 |
| | (c) Other current assets | 309 | 340 |
| | **Sub-total - Current assets** | 1,914 | 2,445 |
| 3 | Asset classified as held for sale | 294 | 144 |
| | **TOTAL ASSETS** | 7,683 | 8,243 |
| B) | **EQUITY AND LIABILITIES** | | |
| 1 | **Equity** | | |
| | (a) Equity share capital | 72 | 72 |
| | (b) Other Equity | 3,282 | 3,777 |
| | **Equity attributable to the share holders of the Company** | 3,354 | 3,849 |
| | (c) Non - Controlling Interest | 308 | 353 |
| | **Sub-total- Equity** | 3,662 | 4,202 |
| 2 | **Liabilities** | | |
| I. | **Non- Current liabilities** | | |
| | (a) Financial liabilities | | |
| | i) Borrowings | 224 | 355 |
| | ii) Lease Liabilities | 226 | 267 |
| | iii) Other non-current financial liabilities | - | 152 |
| | (b) Other non-current liabilities | 78 | - |
| | (c) Provisions | 26 | 32 |
| | (d) Deferred tax liabilities (Net) | 32 | 28 |
| | **Sub-total- Non-current liabilities** | 586 | 834 |
| II. | **Current liabilities** | | |
| | (a) Financial liabilities | | |
| | (i) Borrowings | 1,663 | 1,507 |
| | (ii) Lease Liabilities | 71 | 69 |
| | (iii) Trade payables | 867 | 921 |
| | (iv) Other current financial liabilities | 642 | 554 |
| | (b) Other current liabilities | 126 | 101 |
| | (c) Provisions | 44 | 37 |
| | (d) Current tax liabilities (Net) | 22 | 18 |
| | **Sub-total- Current liabilities** | 3,435 | 3,207 |
| | **Total Liabilities** | 4,021 | 4,041 |
| | **TOTAL EQUITY AND LIABILITIES** | 7,683 | 8,243 |

**FOR WOCKHARDT LIMITED**

H F KHORAKIWALA
CHAIRMAN
DIN: 00045608

Mumbai
Date : May 26, 2023

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**CONSOLIDATED AUDITED CASH FLOW STATEMENT FOR YEAR ENDED MARCH 31, 2023**

(Rs in crore)

| | PARTICULARS | YEAR ENDED 31/03/2023 | YEAR ENDED 31/03/2022 |
|---|---|---|---|
| | (Refer notes below) | Audited | Audited |
| A | **CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES:** | | |
| | Loss before tax | (624) | (411) |
| | **Adjustments for :** | | |
| | Provision for contract asset | 50 | - |
| | Provision for impairment on plant, property and equipment | 33 | - |
| | Depreciation and amortization expense | 251 | 247 |
| | Capital work in progress write off | 4 | - |
| | Allowance for expected credit loss, doubtful advances and bad debts provision | 22 | 20 |
| | Loss on assets sold/write off of fixed assets (net) | 59 | 6 |
| | Finance costs | 302 | 299 |
| | Exchange loss/ (gain) | (80) | (11) |
| | Interest income | (4) | (6) |
| | Employee share based payments expenses | 1 | 1 |
| | Liabilities no longer required written back | (3) | (2) |
| | | **11** | **143** |
| | **Movements in Working capital** | | |
| | Decrease in Inventories | 141 | 30 |
| | Decrease in trade receivables | 199 | 7 |
| | Decrease/(Increase) in Loans and Advances and other assets | 18 | (113) |
| | (Decrease)/Increase in Liabilities and provisions | (205) | 457 |
| | Adjustment for translation difference on working capital | - | (14) |
| | **Cash generated from operations** | **164** | **510** |
| | Income taxes paid | (11) | (97) |
| | **Net cash inflow from Operating activities (A)** | **153** | **413** |
| B | **CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES:** | | |
| | Purchase of Property, Plant and Equipment and Capital work-in progress | (42) | (118) |
| | Purchase of Intangible assets and Addition in Intangible assets under development | (167) | (94) |
| | Proceeds from sale of property, plant and equipment | 79 | 1 |
| | Margin money under lien and Bank balances (other than cash and cash equivalents) | 3 | 7 |
| | Interest received | 2 | 3 |
| | **Net cash outflow Investing activities (B)** | **(125)** | **(201)** |
| C | **CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES** | | |
| | Proceeds from Issuance of Equity share capital under Right Issue | - | 748 |
| | Transaction cost related to Right Issue | (3) | (1) |
| | Proceeds from Issuance of Equity share capital under ESOS Rs. 0.01 crore (Previous year- Rs. 0.02 crore) | - | - |
| | Proceeds from long-term borrowings | - | 49 |
| | Issue of Non-convertible debentures | - | 237 |
| | Repayment of long-term borrowings | (290) | (786) |
| | Short-term borrowings (net) | 81 | (101) |
| | Loans from related parties | 328 | 1,348 |
| | Repayment of loans taken from Related parties | (116) | (1,302) |
| | Repayment of Lease liabilities ( Refer note 3 below) | (73) | (71) |
| | Finance costs paid | (242) | (190) |
| | Equity Dividend paid to IEPF | - | (2) |
| | **Net cash outflow from Financing activities (C )** | **(315)** | **(71)** |
| | **NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)** | **(287)** | **141** |
| | **Cash and cash equivalents as at the beginning of the year** | 370 | 232 |
| | Effects of exchange rate changes on cash and cash equivalents | 2 | (3) |
| | Exchange difference on translation of foreign cash and cash equivalent (Previous year - Rs. 0.09 crore) | 5 | - |
| | **Cash and cash equivalents as at the end of the year** | **90** | **370** |
| | **Cash and cash equivalents as per above comprise of the following** | | |
| | Cash on hand (Previous year - Rs. 0.09 crore) | - | - |
| | Balance with banks: | | |
| | - in current accounts | 90 | 370 |
| | | **90** | **370** |

**Notes:**

1. The above statement of cash flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.
2. Income taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
3. Repayment of lease liabilities consists of:
   Payment of interest Rs. 27 crore (Previous year - Rs. 31 crore)
   Payment of Principal Rs. 46 crore (Previous year - Rs. 40 crore)
4. Figures in bracket indicate cash outflow.

**FOR WOCKHARDT LIMITED**

Mumbai
Date : May 26, 2023

**H F KHORAKIWALA**
CHAIRMAN
DIN: 00045605

BSR & Co. LLP
Chartered Accountants

**WOCKHARDT LIMITED**

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**Annexure to Note 13 of Consolidated audited Results for the Quarter and year ended March 31, 2023.**

**List of Subsidiaries as on March 31, 2023**

1 Wockhardt UK Holdings Limited
2 CP Pharmaceuticals Limited
3 CP Pharma (Schweiz) AG
4 Wallis Group Limited
5 The Wallis Laboratory Limited
6 Wockhardt Farmaceutica Do Brasil Ltda
7 Wallis Licensing Limited
8 Wockhardt Infrastructure Development Limited
9 Z & Z Services GmbH
10 Wockhardt Europe Limited
11 Wockhardt Nigeria Limited
12 Wockhardt USA LLC
13 Wockhardt UK Limited
14 Wockpharma Ireland Limited
15 Pinewood Laboratories Limited
16 Pinewood Healthcare Limited
17 Laboratoires Negma S.A.S.
18 Wockhardt France (Holdings) S.A.S.
19 Wockhardt Holding Corp.
20 Morton Grove Pharmaceuticals Inc.
21 MGP Inc.
22 Laboratoires Pharma 2000 S.A.S. (upto September 26, 2022)
23 Niverpharma S.A.S. (upto September 26, 2022)
24 Negma Beneulex S.A. (upto September 23, 2022)
25 Phytex S.A.S. (upto September 26, 2022)
26 Wockhardt Farmaceutica SA DE CV
27 Wockhardt Services SA DE CV
28 Wockhardt Bio AG
29 Wockhardt Bio (R) LLC
30 Wockhardt Bio Pty Limited
31 Wockhardt Bio Limited
32 Wockhardt Medicines Limited
33 Wockhardt Biologics Limited

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# Independent Auditor's Report

## To the Board of Directors of Wockhardt Limited

## Report on the audit of the Standalone Annual Financial Results

### Opinion

We have audited the accompanying standalone annual financial results of Wockhardt Limited (hereinafter referred to as the "Company") for the year ended 31 March 2024, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone annual financial results:

a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net loss and other comprehensive loss and other financial information for the year ended 31 March 2024.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results* section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the standalone annual financial results.

### Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit/ loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and

presentation of the standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results

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

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 annual financial results, 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 through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone annual financial results 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 annual financial results, including the disclosures, and whether the standalone annual financial results 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.

## Other Matter

The standalone annual financial results include the results for the quarter ended 31 March 2024 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022

**Koosai Lehery**

*Partner*

Membership No.: 112399

UDIN:24112399BKFRIP6249

Mumbai

28 May 2024

**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

Tel: 91 22 2653 4444 ; Fax: 91 22 2652 3905; e-mail id : investorrelations@wockhardt.com; Website: www.wockhardt.com

**STATEMENT OF STANDALONE AUDITED RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2024**

(Rs in Crore except per share data)

| | PARTICULARS | 3 MONTHS ENDED 31/03/2024 | 3 MONTHS ENDED 31/12/2023 | 3 MONTHS ENDED 31/03/2023 | YEAR ENDED 31/03/2024 | YEAR ENDED 31/03/2023 |
|---|---|---|---|---|---|---|
| | (Refer notes below) | Audited (Refer note 5) | Unaudited | Audited (Refer note 5) | Audited | Audited |
| 1 | **Income** | | | | | |
| | (a) Revenue from operations | 355 | 288 | 291 | 1,154 | 1,072 |
| | (b) Other income | 24 | 5 | 29 | 41 | 67 |
| | **Total income** | **379** | **293** | **320** | **1,195** | **1,139** |
| 2 | **Expenses** | | | | | |
| | (a) Cost of materials consumed | 92 | 80 | 60 | 285 | 200 |
| | (b) Purchase of stock-in-trade | 41 | 45 | 31 | 162 | 171 |
| | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 2 | (7) | 23 | 14 | 30 |
| | (d) Employee benefits expense | 62 | 59 | 52 | 247 | 240 |
| | (e) Finance costs | 59 | 61 | 58 | 237 | 229 |
| | (f) Depreciation and amortisation expense | 45 | 43 | 45 | 176 | 186 |
| | (g) Impairment of asset held for sale (Refer note 4) | 79 | - | - | 79 | - |
| | (h) Exchange fluctuation loss, net | - | - | 58 | - | - |
| | (i) Other expenses | 125 | 86 | 97 | 403 | 361 |
| | **Total expenses** | **505** | **367** | **424** | **1,603** | **1,417** |
| 3 | **Loss before exceptional items and tax (1-2)** | **(126)** | **(74)** | **(104)** | **(408)** | **(278)** |
| 4 | Exceptional items- charge (refer note 2) | - | - | (185) | (14) | (235) |
| 5 | **Loss after exceptional items before tax (3 ± 4)** | **(126)** | **(74)** | **(289)** | **(422)** | **(513)** |
| 6 | Tax expense: | | | | | |
| | Current tax | - | - | - | - | - |
| | Deferred tax -(credit)/charge - (Net) | - | - | 10 | - | (47) |
| 7 | **Net loss after tax (5 ± 6)** | **(126)** | **(74)** | **(299)** | **(422)** | **(466)** |
| 8 | Other Comprehensive Income: | | | | | |
| | i) Items that will not be reclassified to Profit or Loss - (charge)/credit (consisting of re-measurement of net defined benefit (liability)/asset) | (3) | 1 | 5 | (1) | 4 |
| | ii) Income tax relating to items that will not be reclassified to Profit or Loss - credit | - | - | - | - | 0.12 |
| | iii) Other Comprehensive Income (net of tax) (8i ± 8ii) | (3) | 1 | 5 | (1) | 4 |
| 9 | **Total Comprehensive Income (7 ± 8(iii))** | **(129)** | **(73)** | **(294)** | **(423)** | **(462)** |
| 10 | Paid-up equity share capital (face value of Rs. 5/- each) | 77 | 72 | 72 | 77 | 72 |
| 11 | Other Equity excluding Revaluation Reserves as per balance sheet | | | | 1,719 | 1,681 |
| 12 | Earnings per share (face value of Rs. 5/- each) (*not annualised) | | | | | |
| | (a) Basic (Rs.) | (8.71)* | (5.14)* | (20.80)* | (29.27) | (32.40) |
| | (b) Diluted (Rs.) | (8.71)* | (5.14)* | (20.80)* | (29.27) | (32.40) |

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Chartered Accountants

WOCKHARDT LTD.

Notes To Standalone Results :-

1) The results were reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on May 28 , 2024. The Statutory Auditors have expressed an unmodified audit opinion with respect to the Audited Financial Results of the Company for the quarter/year ended March 31, 2024.

2) (a)The Company had accounted for a contract asset of Rs. 50 crores pursuant to a contract manufacturing agreement. The Customer is yet to fulfil its contractual obligations and commitments. Though, the Company is pursuing various options and taking necessary actions related to this matter, given the uncertainty, Company had provided for this contract asset and had disclosed it as 'Exceptional items' during previous year.

Company had also purchased certain specific inventory amounting to Rs. 48 crore for this contract which has not been used. During the current period, the Company has made a provision of Rs 14 crores for such inventory basis the current assessment and information available as on date. This expenditure is also reported as an 'Exceptional item'.

(b)The Company had received advances for supply of goods from Wockhardt Bio AG, a majorly held foreign subsidiary of the Company, of which USD 89 million had been outstanding as at March 31, 2022. In accordance with the direction of Reserve Bank of India (RBI) / Authorised Dealer (AD) Bank, such advances were supposed to be adjusted only against supply of goods by the Company. Accordingly, this advance amount received was accounted at the historical transaction exchange rate in accordance with Ind AS 21- 'The Effects of Changes in Foreign Exchange Rates'

The Company, as part of normal business, had also been providing services including but not limited to R&D services and assignment of rights over its new chemical entities (NCE) to the aforesaid foreign subsidiary and had outstanding receivables of USD 113 million.

Since the Company had not been able to supply the goods, the Company received an approval from RBI/ AD on March 10, 2023, for adjustment of the aforesaid advance with these outstanding receivables. Pursuant to this, Company had recognised an exchange loss of Rs. 185 crore on the settlement of the advance and receivables of USD 89 million under 'Exceptional items' during the previous year. Given that these receivables and advance liability are eliminated on consolidation, this settlement did not have any impact on the consolidated financial results of the Group for the previous year.

3) During the quarter ended March 31, 2024 , the Company has allotted :
- 14,300 ( Year to date: 27,450) Equity shares of face value of Rs. 5/- each pursuant to exercise of employee stock options.
- 9,285,163 ( Year to date: 9,285,163 ) Equity shares of face value of Rs. 5/- each pursuant to qualified Institutional placements. These shares were issued at a premium of Rs. 512 /- per share on March 26, 2024

4) Impairment of asset held for sale consists of further impairment of nutrition business assets ( classified as "asset held for Sale') amounting Rs. 79 crore, basis quote received from prospective buyers.

5) Figures for the quarter ended March 31, 2024 and March 31, 2023 are the balancing figures between the audited figures of the full financial year and the reviewed figures upto the third quarter of the relevant financial year.

6) The Company is exclusively into Pharmaceutical business Segment.

Mumbai
Date: May 28, 2024

WOCKHARDT LTD.

**FOR WOCKHARDT LIMITED**

**H.F KHORAKIWALA**
**CHAIRMAN**
**DIN:00045608**

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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

**STATEMENT OF STANDALONE ASSETS AND LIABILITIES**

(Rs. in Crore)

| | PARTICULARS | As at Year End 31/03/2024 Audited | As at Year End 31/03/2023 Audited |
|---|---|---|---|
| A) | **ASSETS** | | |
| 1 | **Non- Current assets** | | |
| | (a) Property, plant and equipment | 1,079 | 1,186 |
| | (b) Right of use assets | 315 | 371 |
| | (c) Capital work-in-progress | 56 | 56 |
| | (d ) Intangible assets | 55 | 68 |
| | (e ) Intangible assets under development | 777 | 767 |
| | (f) Financial assets | | |
| | (i) Investments in subsidiaries | 297 | 297 |
| | (ii) Other Investments * | - | - |
| | * Rs. 0.45 crore (Previous year - Rs. 0.45 crore) | | |
| | (iii) Other non-current financial assets | 64 | 63 |
| | (g) Non-current tax assets (Net) | 99 | 99 |
| | (h) Deferred tax assets (Net) | 250 | 250 |
| | (i) Other non-current assets | 97 | 100 |
| | **Sub-total- Non-current assets** | **3,089** | **3,257** |
| 2 | **Current assets** | | |
| | (a) Inventories | 321 | 363 |
| | (b) Financial assets | | |
| | (i) Trade receivables | 566 | 551 |
| | (ii) Cash and cash equivalents | 463 | 4 |
| | (iii) Bank balances (other than Cash and cash equivalents) | 23 | 33 |
| | (iv) Other current financial assets | 101 | 120 |
| | (c ) Other current assets | 194 | 225 |
| | **Sub-total - Current assets** | **1,668** | **1,296** |
| 3 | Assets classified as held for sale | 111 | 179 |
| | **TOTAL ASSETS** | **4,868** | **4,732** |
| B) | **EQUITY AND LIABILITIES** | | |
| 1 | **Equity** | | |
| | (a) Equity share capital | 77 | 72 |
| | (b) Other Equity | 1,719 | 1,681 |
| | **Sub-total- Equity** | **1,796** | **1,753** |
| 2 | **Liabilities** | | |
| I. | **Non- Current liabilities** | | |
| | (a) Financial liabilities | | |
| | (i) Borrowings | 891 | 12 |
| | (ii) Lease Liabilities | 265 | 315 |
| | (b) Provisions | 28 | 26 |
| | **Sub-total- Non-current liabilities** | **1,184** | **353** |
| II. | **Current liabilities** | | |
| | (a) Financial liabilities | | |
| | (i) Borrowings | 899 | 1,608 |
| | (ii) Lease Liabilities | 81 | 78 |
| | (iii) Trade payables | | |
| | a. Total outstanding dues of Micro enterprises and Small enterprises | 28 | 33 |
| | b. Total outstanding dues of creditors other than micro enterprises and small enterprises | 552 | 524 |
| | (iv) Other current financial liabilities | 173 | 268 |
| | (b) Other current liabilities | 127 | 88 |
| | (c) Provisions | 26 | 25 |
| | (d) Current tax liabilities (Net) | 2 | 2 |
| | **Sub-total- Current liabilities** | **1,888** | **2,626** |
| | **Total Liabilities** | **3,072** | **2,979** |
| | **TOTAL EQUITY AND LIABILITIES** | **4,868** | **4,732** |

FOR WOCKHARDT LIMITED

H F KHORAKIWALA
CHAIRMAN
DIN: 00045608

Mumbai
Date : May 28, 2024

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**WOCKHARDT LIMITED**

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## AUDITED CASH FLOW STATEMENT FOR YEAR ENDED MARCH 31, 2024

(Rs. in Crore)

| PARTICULARS | YEAR ENDED 31/03/2024 | YEAR ENDED 31/03/2023 |
|---|---|---|
| (Refer notes below) | Audited | Audited |
| **Cash flow from/(used in) Operating activities** | | |
| Loss before tax | (422) | (513) |
| **Adjustments for:** | | |
| Exceptional items- Provision against inventories/contract assets | 14 | 50 |
| Depreciation and amortisation expense | 176 | 186 |
| Impairment of asset held for sale | 79 | - |
| Provision for doubtful debts and advances | 17 | (14) |
| Loss/(profit) on sale of fixed assets (Net)* | 0 | (29) |
| *current year - Rs. 0.29 crore | | |
| Finance costs | 237 | 229 |
| Net foreign exchange fluctuation loss, net | 1 | 17 |
| Interest income | (6) | (4) |
| Employee share based payments expenses | 1 | 1 |
| Liabilities no longer required written back | (25) | (3) |
| | **72** | **(80)** |
| **Movements in Working capital** | | |
| Decrease in inventories | 28 | 24 |
| (Increase)/Decrease in Trade receivables [Refer Note 2(b) of Notes to Standalone results] | (15) | 759 |
| Decrease/(Increase) in Loans and Advances and other assets | 30 | (29) |
| Increase/(Decrease) in Liabilities and provisions [Refer Note 2(b) of Notes to Standalone results] | 32 | (569) |
| Increase/(Decrease) in Trade payables | 41 | (29) |
| **Cash from/(used in) operations** | **188** | **76** |
| Income tax paid* | (0) | (5) |
| *Current year Rs. 0.04 crore | | |
| **Net cash inflow from Operating activities** | **188** | **71** |
| **Cash flow from/(used in) Investing activities** | | |
| Purchase of property, plant and equipment and capital work-in progress | (2) | - |
| Proceeds from sale of Property, Plant and Equipment* | 0 | 39 |
| *Current year - Rs. 0.25 crore | | |
| Purchase of Intangible assets and Intangible assets under development | (86) | (47) |
| Margin money under lien and Bank balances (other than cash and cash equivalents) | 10 | 3 |
| Interest received | 3 | 2 |
| **Net cash outflow from Investing activities** | **(75)** | **(3)** |
| **Cash flow from/(used in) Financing activities** | | |
| Proceeds from issuance of Equity share capital under Qualified Institutional Placement (QIP), net | 468 | - |
| Transaction cost related to Right Issue | (1) | (3) |
| Proceeds from Issuance of Equity share capital under ESOS* | 0 | 0 |
| * Rs. 0.01 crore (Previous year- Rs. 0.01 crore) | | |
| Proceeds from term loan | 75 | - |
| Repayment of Long-term borrowings | (214) | (252) |
| Short-term borrowings (net) | (16) | 67 |
| Loans from Related parties | 402 | 328 |
| Repayment of loans taken from Related parties- Long term | (114) | - |
| Repayment of loans taken from Related parties- Short term | (38) | (116) |
| Repayment of Lease liabilities ( refer note 2 below) | (82) | (79) |
| Finance costs paid | (134) | (181) |
| Equity Dividend paid to IEPF* | (0) | - |
| *current year Rs. 0.49 crore | | |
| **Net cash inflow/(outflow) from Financing activities** | **346** | **(236)** |
| **Net Increase/(Decrease) in Cash and Cash equivalents** | **459** | (168) |
| Cash and cash equivalents as at the beginning of the year | 4 | 172 |
| **Cash and cash equivalents as at the end of the year** | **463** | **4** |

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Chartered Accountants

WOCKHARDT LTD.

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

| | As at 31/03/2024 | As at 31/03/2023 |
|---|---|---|
| **Cash and cash equivalents as per above comprise of the following** | | |
| Cash | - | - |
| Balance with banks: | | |
| - in current account | 463 | 4 |
| **Balance as per the Statement of cash flows** | **463** | 4 |

**Notes:**

1. The above statement of cash flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.

2. Repayment of lease liabilities consists of:
   Payment of interest Rs. 34 crore (Previous year - Rs. 38 crore)
   Payment of Principal Rs. 48 crore (Previous year - Rs. 41 crore)

3. Figures in bracket indicate cash outflow.

**FOR WOCKHARDT LIMITED**

WOCKHARDT LTD.

**H F KHORAKIWALA**
CHAIRMAN
DIN: 00045608

Mumbai
Date : May 28, 2024

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# Independent Auditor's Report

## To the Board of Directors of Wockhardt Limited

## Report on the audit of the Consolidated Annual Financial Results

### Opinion

We have audited the accompanying consolidated annual financial results of Wockhardt Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), for the year ended 31 March 2024, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to usand based on the consideration of reports of other auditors on separate/consolidated audited financial results of the subsidiaries, the aforesaid consolidated annual financial results:

a. include the annual financial results of the following entities

| Sr. No. | Name of component | Relationship |
|---|---|---|
| 1 | Wockhardt Limited | Parent Company |
| 2 | Wockhardt UK Holdings Limited (including its following subsidiaries and its step-down subsidiaries)<br>a) Wallis Group Limited<br>b) The Wallis Laboratory Limited<br>c) Wallis Licensing Limited<br>d) Wockhardt Farmaceutica Do Brasil Ltda | Wholly Owned Subsidiary |
| 3 | Wockhardt Infrastructure Development Limited | Wholly Owned Subsidiary |
| 4 | Wockhardt Europe Limited (including its following wholly owned subsidiary)<br>a) Wockhardt Nigeria Limited | Wholly Owned Subsidiary |
| 5 | Wockhardt Medicines Limited | Wholly Owned Subsidiary |
| 6 | Wockhardt Bionova Limited (formerly known as Wockhardt Biologics Limited untill 22 April 2024) | Wholly Owned Subsidiary |
| 7 | Wockhardt Bio AG<br>(including its following subsidiaries and its step-down subsidiaries)<br>a) CP Pharmaceuticals Limited | Subsidiary |

| | | |
|---|---|---|
| | b) CP Pharma (Schweiz) AG | |
| | c) Z & Z Services GmbH | |
| | d) Wockhardt UK Limited | |
| | e) Wockpharma Ireland Limited | |
| | f) Pinewood Laboratories Limited | |
| | g) Pinewood Healthcare Limited | |
| | h) Laboratories Negma S.A.S. (Upto 4 August 2023) | |
| | i) Wockhardt France (Holdings) S.A.S. | |
| | j) Wockhardt Holding Corp. | |
| | k) Wockhardt USA LLC | |
| | l) Morton Grove Pharmaceuticals Inc. | |
| | m) MGP Inc. | |
| | n) Wockhardt Farmaceutica SA DE CV | |
| | o) Wockhardt Services SA DE CV | |
| | p) Wockhardt Bio (R) LLC | |
| | q) Wockhardt Bio Pty Limited | |
| | r) Wockhardt Bio Limited | |

b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of consolidated net loss and other comprehensive income and other financial information of the Group for the year ended 31 March 2024.

## Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results* 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us,along with the consideration of reports of the other auditors roforrod to in sub paragraph no. (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated annual financial results.

## Management's and Board of Directors' Responsibilities for the Consolidated Annual Financial Results

These consolidated annual financial results have been prepared on the basis of the consolidated annual financial statements.

The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net profit/ loss and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standards

prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results 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 annual financial results by the Management and the Board of Directors of the Holding Company, as aforesaid.

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

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

## Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial results 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 annual financial results.

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 annual financial results, 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 through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual financial results 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 annual financial results,

including the disclosures, and whether the consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial results of the entities within the Group to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial results of such entities included in the consolidated annual financial results of which we are the independent auditors. For the other entities included in the consolidated annual financial results, which has/have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in sub paragraph no. (a) of the "Other Matters" paragraph in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated annual financial results 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.

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

## Other Matters

a. The consolidated annual financial results include the audited financial results of 15 subsidiaries, whose financial results reflect total assets (before consolidation adjustments) of Rs. 6,763 crores as at 31 March 2024, total revenue (before consolidation adjustments) of Rs. 2,809 crores and total net profit after tax (before consolidation adjustments) of Rs. 150 crores and net cash outflows (before consolidation adjustments) of Rs. 29 crores for the year ended on that date, as considered in the consolidated annual financial results, which have been audited by their respective Independent auditors. The independent auditor's reports on the financial results of these entities have been furnished to us by the management.

   Our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the reports of such auditors and the procedures performed by us are as stated in paragraph above.

   Our opinion on the consolidated annual financial results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

b. The consolidated annual financial results include the unaudited financial information of 8 subsidiaries, whose financial information reflect total assets (before consolidation adjustments) of Rs. 108 crores as at 31 March 2024, total revenue (before consolidation adjustments) of Rs. 0 crores, total net loss after tax (before consolidation adjustments) of Rs. 0 crores and net cash outflows (before consolidation adjustments) of Rs. 1 crores for the year ended on that date, as considered in the consolidated annual financial results. These unaudited financial results have been furnished to us by the Board of Directors.

   Our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such financial results. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial results are not material to the Group.

   Our opinion on the consolidated annual financial results is not modified in respect of the above matter with respect to the financial results certified by the Board of Directors.

c. The consolidated annual financial results include the results for the quarter ended 31 March 2024 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022

**Koosai Lehery**

*Partner*

Membership No.: 112399

UDIN:24112399BKFRIQ3992

Mumbai

28 May 2024

**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

Tel: 91 22 2653 4444; Fax: 91 22 2652 3905; e-mail id: investorrelations@wockhardt.com, Website: www.wockhardt.com

(Rs. In Crore except per share data)

**STATEMENT OF CONSOLIDATED AUDITED RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2024**

| | PARTICULARS | 3 MONTHS ENDED 31/03/2024 | 3 MONTHS ENDED 31/12/2023 | 3 MONTHS ENDED 31/03/2023 | YEAR ENDED 31/03/2024 | YEAR ENDED 31/03/2023 |
|---|---|---|---|---|---|---|
| | (Refer Notes Below) | Audited (Refer note 9) | Unaudited | Audited (Refer note 9) | Audited | Audited |
| 1 | **Income** | | | | | |
| | (a) Revenue from operations | 700 | 701 | 678 | 2,798 | 2,651 |
| | (b) Other income | 54 | 8 | 32 | 83 | 122 |
| | **Total income** | **754** | **709** | **710** | **2,881** | **2,773** |
| 2 | **Expenses** | | | | | |
| | (a) Cost of materials consumed | 144 | 160 | 136 | 620 | 518 |
| | (b) Purchase of stock-in-trade | 154 | 150 | 125 | 559 | 509 |
| | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | (4) | (8) | 45 | (14) | 84 |
| | (d) Employee benefits expense | 157 | 152 | 144 | 629 | 637 |
| | (e) Finance costs | 73 | 77 | 76 | 305 | 302 |
| | (f) Depreciation and amortisation expense | 58 | 55 | 56 | 223 | 251 |
| | (g) Impairment of asset held for sale (Refer note 7) | 79 | - | - | 79 | - |
| | (h) Exchange fluctuation loss, net | - | 15 | 12 | - | - |
| | (i) Loss on sale of property, plant and equipment (Refer note 4) | 44 | 7 | - | 52 | 1 |
| | (j) Other expenses | 229 | 188 | 213 | 834 | 801 |
| | **Total expenses** | **934** | **796** | **807** | **3,287** | **3,103** |
| 3 | **Loss before exceptional items and tax (1-2)** | **(180)** | **(87)** | **(97)** | **(406)** | **(330)** |
| 4 | Exceptional items- charge (Refer note 3, 4 and 5) | - | - | (96) | (14) | (294) |
| 5 | **Loss after exceptional items and before tax (3 ± 4)** | **(180)** | **(87)** | **(193)** | **(420)** | **(624)** |
| 6 | Tax expense: | | | | | |
| | Current tax - charge | 2 | 3 | 2 | 16 | 12 |
| | Deferred tax - charge/ (credit) - (Net) | (5) | (4) | 42 | 36 | (15) |
| 7 | **Loss after tax (5 ± 6)** | **(177)** | **(86)** | **(237)** | **(472)** | **(621)** |
| | Attributable to : | | | | | |
| | Equity shareholders of the Company | (169) | (83) | (208) | (463) | (559) |
| | Non - Controlling Interest | (8) | (3) | (29) | (9) | (62) |
| 8 | **Other Comprehensive Income** | | | | | |
| | (a) Items that will not be reclassified to Profit or Loss - (charge)/ credit (consisting of re-measurement of net defined benefit (liability) / asset) | (11) | 1 | 3 | (9) | (12) |
| | (b) Income tax relating to items that will not be reclassified to Profit or Loss - credit/(charge) | 1 | - | 1 | 1 | 3 |
| | (c) Items that will be reclassified to Profit or Loss - (charge)/ credit (Consisting of Exchange differences on translating the financial statements of foreign operations) | (30) | 66 | 18 | 14 | 87 |
| | (d) Other Comprehensive Income (net of tax) (a ± b ± c) | (40) | 67 | 22 | 6 | 78 |
| 9 | **Total Comprehensive Income (7 ± 8 (d))** | **(217)** | **(19)** | **(215)** | **(466)** | **(543)** |
| | Other Comprehensive Income attributable to : | | | | | |
| | Equity shareholders of the Company | (36) | 56 | 19 | 2 | 61 |
| | Non - Controlling Interest | (4) | 11 | 3 | 4 | 17 |
| | Total Comprehensive Income attributable to : | | | | | |
| | Equity shareholders of the Company | (205) | (27) | (189) | (461) | (498) |
| | Non - Controlling Interest | (12) | 8 | (26) | (5) | (45) |
| 10 | Paid-up equity share capital (face value of Rs. 5/- each) | 77 | 72 | 72 | 77 | 72 |
| 11 | Other Equity excluding Revaluation Reserves as per Balance Sheet | | | | 3,282 | 3,282 |
| 12 | Earnings per equity share (face value of Rs. 5/- each) (*not annualised) | | | | | |
| | (a) Basic (Rs.) | (11.64)* | (5.75)* | (14.37)* | (32.05) | (38.79) |
| | (b) Diluted (Rs.) | (11.64)* | (5.75)* | (14.37)* | (32.05) | (38.79) |

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North C Wing,
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Chartered Accountants

**Notes To Consolidated Results:-**

1) The results were reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on May 28, 2024. The Statutory Auditors have expressed an unmodified audit opinion with respect to the Audited Financial Results of the Company for the quarter/ year ended March 31, 2024.

2) The Consolidated Results relate to Wockhardt Limited ('the Company' or 'the Holding Company') and its Subsidiaries (together constitute 'the Group') and are prepared by applying Ind AS 110 - "Consolidated Financial Statements".

3) During the previous year ended March 31, 2023, subsequent to the settlement agreement with the State of Texas on February 8, 2022, the Group had agreed for an early payment schedule for the settlement of the liability. Pursuant to this revision, Group had recorded an additional cost of Rs.11 crores due to unwinding of the discount (basis the original payment schedule) and has disclosed this as 'Exceptional items'.

4) During the previous year ended March 31, 2023, the Group had provided/ incurred loss of Rs. 233 crores, comprising Rs. 123 crores w.r.t property , plant and equipment sold/ held for sale, Rs. 17 crores for inventory, Rs. 80 crores for claims incurred/ expected claims from customers and Rs. 13 crores for other costs pursuant to the restructuring of business in USA and had disclosed these as 'Exceptional items'.

During the quarter and current year ended March 31, 2024, Group has further incurred the loss on sale of such property, plant and equipment (classified as "asset held for sale") amounting Rs. 42 crore and Rs 50 crore respectively. These are included in a separate line item "Loss on sale of property, plant and equipment" in the statement of profit and loss.

5) The Company had accounted for a contract asset of Rs. 50 crores pursuant to a contract manufacturing agreement. The Customer is yet to fulfil its contractual obligations and commitments. Though, the Company is pursuing various options and taking necessary actions related to this matter, given the uncertainty, Company had provided for this contract asset and had disclosed it as 'Exceptional items' during previous year.

Company had also purchased certain specific inventory amounting to Rs. 48 crore for this contract which has not been used. During the current period, the Company has made a provision of Rs 14 crores for such inventory basis the current assessment and information available as on date. This expenditure is also reported as an 'Exceptional item'.

6) During the quarter ended March 31, 2024 , the Company has allotted :
- 14,300 ( Year to date: 27,450) Equity shares of face value of Rs. 5/- each pursuant to exercise of employee stock options.
- 9,285,163 ( Year to date: 9,285,163 ) Equity shares of face value of Rs. 5/- each pursuant to qualified Institutional placements. These shares were issued at a premium of Rs. 512 /- per share on March 26, 2024

7) Impairment of asset held for sale consists of further impairment of nutrition business assets ( classified as "asset held for sale') amounting to Rs. 79 crores, basis quote received from prospective buyers.

8) **Key Financials on Standalone basis:**

**(Rs. In Crore)**

| PARTICULARS | 3 MONTHS ENDED 31/03/2024 | 3 MONTHS ENDED 31/12/2023 | 3 MONTHS ENDED 31/03/2023 | YEAR ENDED 31/03/2024 | YEAR ENDED 31/03/2023 |
|---|---|---|---|---|---|
| | Audited | Unaudited | Audited | Audited | Audited |
| Total Income | 379 | 293 | 320 | 1,195 | 1,139 |
| Loss before tax | (126) | (74) | (289) | (422) | (513) |
| Loss after tax | (126) | (74) | (299) | (422) | (466) |

Note: The audited standalone results have been filed with the Stock Exchanges under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are available on the Stock Exchanges websites (www.nseindia.com and www.bseindia.com ) and also on the Company's website www.wockhardt.com.

9) Figures for the quarter ended March 31, 2024 and March 31, 2023 are the balancing figures between the audited figures of the full financial year and the reviewed figures upto the third quarter of the relevant financial year.

10) The Group is exclusively into Pharmaceutical business Segment.

11) For List of Subsidiaries as on March 31, 2024 please refer Annexure.

12) Previous period / year figures have been recast / re-grouped to conform to the current year's presentation.

WOCKHARDT LTD.

**FOR WOCKHARDT LIMITED**

**H F KHORAKIWALA**
CHAIRMAN
DIN: 00045608

Mumbai
Date : May 28, 2024

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**WOCKHARDT LIMITED**

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## STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES

(Rs. in Crore)

| | PARTICULARS | As at Year End 31/03/2024 | As at Year End 31/03/2023 |
|---|---|---|---|
| | | Audited | Audited |
| A) | **ASSETS** | | |
| 1 | **Non- Current assets** | | |
| | (a) Property, Plant and Equipment | 1,467 | 1,558 |
| | (b) Right of use assets | 408 | 464 |
| | (c) Capital work-in-progress | 434 | 414 |
| | (d) Goodwill | 953 | 945 |
| | (e) Other Intangible assets | 53 | 75 |
| | (f) Intangible assets under development | 1,288 | 1,125 |
| | (g) Financial assets | | |
| | (i) Investments | - | - |
| | Rs. 0.45 crore (Previous year - Rs. 0.45 crore) | | |
| | (ii) Other non- current Financial assets | 65 | 64 |
| | (h) Non-current tax assets (Net) | 117 | 115 |
| | (i) Deferred tax assets (Net) | 579 | 608 |
| | (j) Other non-current assets | 101 | 107 |
| | **Sub-total - Non-current assets** | **5,465** | **5,475** |
| 2 | **Current assets** | | |
| | (a) Inventories | 640 | 658 |
| | (b) Financial assets | | |
| | (i) Trade receivables | 618 | 797 |
| | (ii) Cash and cash equivalents | 505 | 90 |
| | (iii) Bank balance (other than Cash and cash equivalents) | 24 | 34 |
| | (iv) Other current Financial assets | 18 | 26 |
| | (c) Other current assets | 268 | 309 |
| | **Sub-total - Current assets** | **2,073** | **1,914** |
| 3 | Asset classified as held for sale | 111 | 294 |
| | **TOTAL ASSETS** | **7,649** | **7,683** |
| B) | **EQUITY AND LIABILITIES** | | |
| 1 | **Equity** | | |
| | (a) Equity share capital | 77 | 72 |
| | (b) Other Equity | 3,282 | 3,282 |
| | **Equity attributable to the share holders of the Company** | **3,359** | **3,354** |
| | (c) Non - Controlling Interest | 303 | 308 |
| | **Sub-total- Equity** | **3,662** | **3,662** |
| 2 | **Liabilities** | | |
| I. | **Non- Current liabilities** | | |
| | (a) Financial liabilities | | |
| | i) Borrowings | 891 | 224 |
| | ii) Lease Liabilities | 170 | 226 |
| | (b) Other non-current liabilities | 72 | 78 |
| | (c) Provisions | 28 | 26 |
| | (d) Deferred tax liabilities (Net) | 35 | 32 |
| | **Sub-total- Non-current liabilities** | **1,196** | **586** |
| II. | **Current liabilities** | | |
| | (a) Financial liabilities | | |
| | (i) Borrowings | 1,221 | 1,663 |
| | (ii) Lease Liabilities | 74 | 71 |
| | (iii) Trade payables | 766 | 867 |
| | (iv) Other current financial liabilities | 518 | 642 |
| | (b) Other current liabilities | 163 | 126 |
| | (c) Provisions | 39 | 44 |
| | (d) Current tax liabilities (Net) | 10 | 22 |
| | **Sub-total- Current liabilities** | **2,791** | **3,435** |
| | **Total Liabilities** | **3,987** | **4,021** |
| | **TOTAL EQUITY AND LIABILITIES** | **7,649** | **7,683** |

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Chartered Accountants

FOR WOCKHARDT LIMITED

WOCKHARDT LTD.

Mumbai
Date : May 28, 2024

H F KHORAKIWALA
CHAIRMAN
DIN: 00045608

**WOCKHARDT LIMITED**
Registered Office: D-4 MIDC, Chikalthana, Aurangabad - 431 006
Global Headquarters: Wockhardt Towers, Bandra Kurla Complex, Bandra (East), Mumbai 400 051

## CONSOLIDATED AUDITED CASH FLOW STATEMENT FOR YEAR ENDED MARCH 31, 2024

(Rs in crore)

| | PARTICULARS | YEAR ENDED 31/03/2024 | YEAR ENDED 31/03/2023 |
|---|---|---|---|
| | (Refer notes below) | Audited | Audited |
| A | **CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES:** | | |
| | Loss after exceptional items and before tax | (420) | (624) |
| | **Adjustments for :** | | |
| | Exceptional items - Provision against inventories/ contract assets | 14 | 50 |
| | Depreciation and amortization expense | 223 | 251 |
| | Impairment of asset held for sale and property, plant and equipment | 79 | 33 |
| | Capital work in progress write off | - | 4 |
| | Allowance/(Reversal of allowance) for expected credit loss, doubtful advance and Bad debts provision | 54 | 22 |
| | (Profit)/ Loss on sale/ write off of fixed assets (net) | 52 | 59 |
| | Finance costs | 305 | 302 |
| | Foreign exchange exchange loss/ (gain), net | (2) | (80) |
| | Interest income | (6) | (4) |
| | Employee share based payments expenses | 1 | 1 |
| | Liabilities no longer required written back | (43) | (3) |
| | | **257** | **11** |
| | **Movements in Working capital** | | |
| | Decrease in Inventories | 8 | 141 |
| | Decrease in trade receivables | 142 | 199 |
| | Decrease in Loans and Advances and other assets | 35 | 18 |
| | (Decrease) in Liabilities and provisions | (193) | (205) |
| | **Cash generated from operations** | **249** | **164** |
| | Income taxes paid | (30) | (11) |
| | **Net cash inflow from Operating activities (A)** | **219** | **153** |
| B | **CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES:** | | |
| | Purchase of Property, Plant and Equipment and Capital work-in progress | (59) | (42) |
| | Purchase of Intangible assets and Addition in Intangible assets under development | (157) | (167) |
| | Proceeds from sale of property, plant and equipment | 66 | 79 |
| | Margin money under lien and Bank balances (other than cash and cash equivalents) | 10 | 3 |
| | Interest received | 3 | 2 |
| | **Net cash (outflow) Investing activities (B)** | **(137)** | **(125)** |
| C | **CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES** | | |
| | Proceeds from Issuance of Equity share capital under Qualified Institutional Placement (QIP), net | 468 | - |
| | Transaction cost related to Right Issue | (1) | (3) |
| | Proceeds from Issuance of Equity share capital under ESOS* | 0 | 0 |
| | *Rs. 0.01 crore (Previous year- Rs. 0.01 crore) | | |
| | Proceeds of term loan | 75 | - |
| | Repayment of long-term borrowings | (254) | (290) |
| | Short-term borrowings (net) | 72 | 81 |
| | Loans from related parties | 402 | 328 |
| | Repayment of loans taken from related parties- Long term | (114) | - |
| | Repayment of loans taken from related parties- Short term | (38) | (116) |
| | Repayment of Lease liabilities ( Refer note 2 below) | (79) | (73) |
| | Finance costs paid | (197) | (242) |
| | Equity Dividend paid to IEPF* | (0) | - |
| | *Current year Rs. 0.49 crore | | |
| | **Net cash inflow/ (outflow) from Financing activities (C )** | **334** | **(315)** |
| | **NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)** | **416** | **(287)** |
| | **Cash and cash equivalents as at the beginning of the year** | 90 | 370 |
| | Effects of exchange rate changes on cash and cash equivalents* | 0 | 2 |
| | *Current year ₹ 0.36 crore | | |
| | Exchange difference on translation of foreign cash and cash equivalent | (1) | 5 |
| | **Cash and cash equivalents as at the end of the year** | **505** | **90** |
| | **Cash and cash equivalents as per above comprise of the following** | | |
| | Balance with banks: | | |
| | - in current accounts | 505 | 90 |
| | | **505** | **90** |

Notes:
1. The above statement of cash flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.
2. Repayment of lease liabilities consists of:
   Payment of interest ₹ 24 crore (Previous year: ₹ 27 crore)
   Payment of Principal ₹ 55 crore (Previous year: ₹ 46 crore)
3. Figures in bracket indicate cash outflow.

FOR WOCKHARDT LIMITED

H F KHORAKIWALA
CHAIRMAN
DIN: 00045608

Mumbai
Date : May 28, 2024

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**Annexure to Note 11 of consolidated audited results for the quarter and year ended March 31, 2024.**

**List of Subsidiaries as on March 31, 2024**

1 Wockhardt UK Holdings Limited
2 CP Pharmaceuticals Limited
3 CP Pharma (Schweiz) AG
4 Wallis Group Limited
5 The Wallis Laboratory Limited
6 Wockhardt Farmaceutica Do Brasil Ltda
7 Wallis Licensing Limited
8 Wockhardt Infrastructure Development Limited
9 Z & Z Services GmbH
10 Wockhardt Europe Limited
11 Wockhardt Nigeria Limited
12 Wockhardt USA LLC
13 Wockhardt UK Limited
14 Wockpharma Ireland Limited
15 Pinewood Laboratories Limited
16 Pinewood Healthcare Limited
17 Laboratoires Negma S.A.S. (upto August 04, 2023)
18 Wockhardt France (Holdings) S.A.S.
19 Wockhardt Holding Corp.
20 Morton Grove Pharmaceuticals Inc.
21 MGP Inc.
22 Wockhardt Farmaceutica SA DE CV
23 Wockhardt Services SA DE CV
24 Wockhardt Bio AG
25 Wockhardt Bio (R) LLC
26 Wockhardt Bio Pty Limited
27 Wockhardt Bio Limited
28 Wockhardt Medicines Limited
29 Wockhardt Bionova Limited (formerly known as Wockhardt Biologics Limited until April 22, 2024)

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## Limited Review Report on unaudited standalone financial results of Wockhardt Limited for the quarter ended 30 June 2023 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

### To the Board of Directors of Wockhardt Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of Wockhardt Limited (hereinafter referred to as "the Company") for the quarter ended 30 June 2023 ("the Statement").

2. This Statement, which is the responsibility of the Company's management and approved by its Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"). Our responsibility is to issue a report on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Attention is drawn to the fact that the figures for the three months ended 31 March 2023 as reported in the Statement are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.

5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it

contains any material misstatement.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022

**Koosai Lehery**

*Partner*

Membership No.: 112399

UDIN:23112399BGXWJE1334

Mumbai

14 August 2023

**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

Tel: 91 22 2653 4444 ; Fax: 91 22 2652 3905; e-mail id : investorrelations@wockhardt.com; Website: www.wockhardt.com

(Rs in Crore except per share data)

**STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER ENDED JUNE 30, 2023**

| | PARTICULARS | 3 MONTHS ENDED 30/06/2023 | 3 MONTHS ENDED 31/03/2023 | 3 MONTHS ENDED 30/06/2022 | YEAR ENDED 31/03/2023 |
|---|---|---|---|---|---|
| | (Refer notes below) | Unaudited | Audited (Refer note 4) | Unaudited | Audited |
| 1 | **Income** | | | | |
| | (a) Revenue from operations | 251 | 291 | 241 | 1,072 |
| | (b) Other income | 6 | 29 | 49 | 67 |
| | **Total income** | **257** | **320** | **290** | **1,139** |
| 2 | **Expenses** | | | | |
| | (a) Cost of materials consumed | 62 | 60 | 43 | 200 |
| | (b) Purchase of stock-in-trade | 35 | 31 | 31 | 171 |
| | (c) Changes in inventories of finished goods, work-in-progress and stock in-trade | 6 | 23 | 11 | 30 |
| | (d) Employee benefits expense | 63 | 52 | 64 | 240 |
| | (e) Finance costs | 58 | 58 | 61 | 229 |
| | (f) Depreciation and amortisation expense | 44 | 45 | 47 | 186 |
| | (g) Exchange fluctuation loss, net | - | 58 | - | - |
| | (h) Other expenses | 90 | 97 | 87 | 361 |
| | **Total expenses** | **358** | **424** | **344** | **1,417** |
| 3 | **Loss before exceptional items and tax (1-2)** | **(101)** | **(104)** | **(54)** | **(278)** |
| 4 | Exceptional items- charge (refer note 2) | (14) | (185) | - | (235) |
| 5 | **Loss after exceptional items before tax (3 ± 4)** | **(115)** | **(289)** | **(54)** | **(513)** |
| 6 | Tax expense: | | | | |
| | Current tax | - | - | - | - |
| | Deferred tax - (credit)/charge - (Net) | - | 10 | (17) | (47) |
| 7 | **Net loss after tax (5 ± 6)** | **(115)** | **(299)** | **(37)** | **(466)** |
| 8 | Other Comprehensive Income: | | | | |
| | i) Items that will not be reclassified to Profit or Loss - (charge)/credit (consisting of re-measurement of net defined benefit (liability)/asset) | 1 | 5 | (0.17) | 4 |
| | ii) Income tax relating to items that will not be reclassified to Profit or Loss - credit | - | - | 0.06 | 0.12 |
| | iii) Other Comprehensive Income (net of tax) | 1 | 5 | (0.11) | 4 |
| 9 | **Total Comprehensive Income (7 ± 8(iii))** | **(114)** | **(294)** | **(37)** | **(462)** |
| 10 | Paid-up equity share capital (face value of Rs. 5/- each) | 72 | 72 | 72 | 72 |
| 11 | Other Equity excluding Revaluation Reserves as per balance sheet | | | | 1,681 |
| 12 | Earnings per share (face value of Rs. 5/- each) (*not annualised) | | | | |
| | (a) Basic (Rs.) | (8.01)* | (20.80)* | (2.62)* | (32.40) |
| | (b) Diluted (Rs.) | (8.01)* | (20.80)* | (2.62)* | (32.40) |

WOCKHARDT LTD.

BSR & Co. LLP
14th Floor,
Central B Wing and
North C Wing,
Nesco IT Park 4,
Nesco Center,
Western Express Highway,
Goregaon (East),
Mumbai - 400 063
Chartered Accountants

Notes To Standalone Results :-

1) The results were reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on August 14, 2023. The results have been subjected to limited review by the Statutory Auditors of the Company.

2) (a)The Company had accounted for a contract asset of Rs. 50 crores pursuant to a contract manufacturing agreement. The Customer is yet to fulfil its contractual obligations and commitments. Though, the Company is pursuing various options and taking necessary actions related to this matter, given the uncertainty, Company had provided for this contract asset and had disclosed it as 'Exceptional items'during previous year.

Company had also purchased certain specific inventory for this contract which has not been used. Company is continuing to evaluate alternate options to liquidate/ utilize such inventory, pending which, during the current quarter, the Company has made a provision of Rs 14 crores for such inventory basis the current assessment and information available as on date. This expenditure is also reported as an 'Exceptional item'.

(b)The Company had received advances for supply of goods from Wockhardt Bio AG, a majorly held foreign subsidiary of the Company, of which USD 89 million had been outstanding as at March 31, 2022. In accordance with the direction of Reserve Bank of India (RBI) / Authorised Dealer (AD) Bank, such advances were supposed to be adjusted only against supply of goods by the Company. Accordingly, this advance amount received was accounted at the historical transaction exchange rate in accordance with Ind AS 21- 'The Effects of Changes in Foreign Exchange Rates'
The Company, as part of normal business, had also been providing services including but not limited to R&D services and assignment of rights over its new chemical entities (NCE) to the aforesaid foreign subsidiary and had outstanding receivables of USD 113 million.
Since the Company had not been able to supply the goods, the Company received an approval from RBI/ AD on March 10, 2023, for adjustment of the aforesaid advance with these outstanding receivables. Pursuant to this, Company had recognised an exchange loss of Rs. 185 crore on the settlement of the advance and receivables of USD 89 million under 'Exceptional items' during the previous year. Given that these receivables and advance liability are eliminated on consolidation, this settlement did not have any impact on the consolidated financial results of the Group for the previous period.

3) During the quarter ended June 30, 2023 , the Company has allotted 6,250 Equity shares of face value of Rs. 5/- each pursuant to exercise of employee stock options.

4) Figures for the quarter ended March 31, 2023 are the balancing figures between the audited figures of the full financial year and the reviewed figures upto the third quarter of financial year 2022-23.

5) The Company is exclusively into Pharmaceutical business Segment.

WOCKHARDT LTD.

Mumbai
Date: August 14, 2023

**FOR WOCKHARDT LIMITED**

**H.F KHORAKIWALA**
**CHAIRMAN**
**DIN:00045608**

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North C Wing,
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## Limited Review Report on unaudited consolidated financial results of Wockhardt Limited for the quarter ended 30 June 2023 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

### To the Board of Directors of Wockhardt Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Wockhardt Limited (hereinafter referred to as "the Parent"), and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter ended 30 June 2023 ("the Statement") being submitted by the Parent pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:

| Sr. No. | Name of component | Relationship |
|---|---|---|
| 1 | Wockhardt Limited | Parent Company |
| 2 | Wockhardt UK Holdings Limited (including its following subsidiaries and its step-down subsidiaries)<br>a) Wallis Group Limited<br>b) The Wallis Laboratory Limited<br>c) Wallis Licensing Limited | Wholly Owned Subsidiary |

| | | |
|---|---|---|
| | d) Wockhardt Farmaceutica Do Brasil Ltda | |
| 3 | Wockhardt Infrastructure Development Limited | Wholly Owned Subsidiary |
| 4 | Wockhardt Europe Limited (including its following wholly owned subsidiary)<br>a) Wockhardt Nigeria Limited | Wholly Owned Subsidiary |
| 5 | Wockhardt Medicines Limited | Wholly Owned Subsidiary |
| 6 | Wockhardt Biologics Limited | Wholly Owned Subsidiary |
| 7 | Wockhardt Bio AG<br>(including its following subsidiaries and its step-down subsidiaries)<br>a) CP Pharmaceuticals Limited<br>b) CP Pharma (Schweiz) AG<br>c) Z & Z Services GmbH<br>d) Wockhardt UK Limited<br>e) Wockpharma Ireland Limited<br>f) Pinewood Laboratories Limited<br>g) Pinewood Healthcare Limited<br>h) Laboratories Negma S.A.S.<br>i) Wockhardt France (Holdings) S.A.S.<br>j) Wockhardt Holding Corp.<br>k) Wockhardt USA LLC<br>l) Morton Grove Pharmaceuticals Inc.<br>m) MGP Inc.<br>n) Wockhardt Farmaceutica SA DE CV<br>o) Wockhardt Services SA DE CV<br>p) Wockhardt Bio (R) LLC<br>q) Wockhardt Bio Pty Limited<br>r) Wockhardt Bio Limited | Subsidiary |

5. Attention is drawn to the fact that the figures for the three months ended 31 March 2023 as reported in the Statement are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.

## Limited Review Report *(Continued)*

## Wockhardt Limited

6. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

7. We did not review the interim financial information of five subsidiaries included in the Statement, whose interim financial information reflect total revenues (before consolidation adjustments) of Rs. 601 crores, total net loss after tax (before consolidation adjustments) of Rs. 6 crores and total comprehensive loss (before consolidation adjustments) of Rs. 6 crores, for the quarter ended 30 June 2023, as considered in the Statement. These interim financial information have been reviewed by other auditors whose reports have been furnished to us by the Parent's management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

   Our conclusion is not modified in respect of this matter.

8. The Statement includes the interim financial information of eighteen subsidiaries which have not been reviewed, whose interim financial information reflect total revenues (before consolidation adjustments) of Rs. 18 crores, total net profit after tax (before consolidation adjustments) of Rs. 6 crores and total comprehensive income (before consolidation adjustments) of Rs. 6 crores for the quarter ended 30 June 2023, as considered in the Statement. According to the information and explanations given to us by the Parent's management, these interim financial information are not material to the Group.

   Our conclusion is not modified in respect of this matter.

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

**Koosai Lehery**
*Partner*
Membership No.: 112399
UDIN:23112399BGXWJF9969

Mumbai
14 August 2023

**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

Tel: 91 22 2653 4444; Fax: 91 22 2652 3905; e-mail id: investorrelations@wockhardt.com, Website: www.wockhardt.com

(Rs. In Crore except per share data)

**STATEMENT OF CONSOLIDATED UNAUDITED RESULTS FOR THE QUARTER ENDED JUNE 30, 2023**

| | PARTICULARS | 3 MONTHS ENDED 30/06/2023 | 3 MONTHS ENDED 31/03/2023 | 3 MONTHS ENDED 30/06/2022 | YEAR ENDED 31/03/2023 |
|---|---|---|---|---|---|
| | (Refer Notes Below) | Unaudited | Audited (Refer Note 8) | Unaudited | Audited |
| 1 | **Income** | | | | |
| | (a) Revenue from operations | 644 | 678 | 595 | 2,651 |
| | (b) Other income | 14 | 32 | 57 | 122 |
| | **Total income** | **658** | **710** | **652** | **2,773** |
| 2 | **Expenses** | | | | |
| | (a) Cost of materials consumed | 137 | 136 | 140 | 518 |
| | (b) Purchase of stock-in-trade | 150 | 125 | 115 | 509 |
| | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | (5) | 45 | (28) | 84 |
| | (d) Employee benefits expense | 154 | 144 | 180 | 637 |
| | (e) Finance costs | 79 | 76 | 73 | 302 |
| | (f) Depreciation and amortisation expense | 55 | 56 | 64 | 251 |
| | (g) Exchange fluctuation loss, net | 2 | 12 | - | - |
| | (h) Other expenses | 190 | 213 | 204 | 802 |
| | **Total expenses** | **762** | **807** | **748** | **3,103** |
| 3 | **Loss before exceptional items and tax (1-2)** | **(104)** | **(97)** | **(96)** | **(330)** |
| 4 | Exceptional items- charge (Refer note 3, 4 and 5) | (14) | (96) | - | (294) |
| 5 | **Loss after exceptional items and before tax (3 ± 4)** | **(118)** | **(193)** | **(96)** | **(624)** |
| 6 | Tax expense: | | | | |
| | Current tax - charge | 9 | 2 | 4 | 12 |
| | Deferred tax - charge/ (credit) - (Net) | 9 | 42 | (25) | (15) |
| 7 | **Loss after tax (5 ± 6)** | **(136)** | **(237)** | **(75)** | **(621)** |
| | Attributable to : | | | | |
| | Equity shareholders of the Company | (134) | (208) | (67) | (559) |
| | Non - Controlling Interest | (2) | (29) | (8) | (62) |
| 8 | **Other Comprehensive Income** | | | | |
| | (a) Items that will not be reclassified to Profit or Loss - (charge)/ credit (consisting of re-measurement of net defined benefit (liability) / asset) | 1 | 3 | (6) | (12) |
| | (b) Income tax relating to items that will not be reclassified to Profit or Loss - credit/(charge) | - | 1 | 1 | 3 |
| | (c) Items that will be reclassified to Profit or Loss - (charge)/ credit (Consisting of Exchange differences on translating the financial statements of foreign operations) | (2) | 18 | (15) | 87 |
| | (d) Other Comprehensive Income (net of tax) (a ± b ± c) | (1) | 22 | (20) | 78 |
| 9 | **Total Comprehensive Income (7 ± 8 (d))** | **(137)** | **(215)** | **(95)** | **(543)** |
| | Attributable to : | | | | |
| | Equity shareholders of the Company | (134) | (189) | (94) | (498) |
| | Non - Controlling Interest | (3) | (26) | (1) | (45) |
| 10 | Paid-up equity share capital (face value of Rs. 5/- each) | 72 | 72 | 72 | 72 |
| 11 | Other Equity excluding Revaluation Reserves as per Balance Sheet | | | | 3,282 |
| 12 | Earnings per equity share (face value of Rs. 5/- each) (*not annualised) | | | | |
| | (a) Basic (Rs.) | (9.28)* | (14.37)* | (4.64)* | (38.79) |
| | (b) Diluted (Rs.) | (9.28)* | (14.37)* | (4.64)* | (38.79) |

WOCKHARDT LTD.

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Chartered Accountants

**Notes To Consolidated Results:-**

1) The results were reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on August 14, 2023. The results have been subjected to limited review by the Statutory Auditors of the Company.

2) The Consolidated Results relate to Wockhardt Limited ('the Company' or 'the Holding Company') and its Subsidiaries (together constitute 'the Group') and are prepared by applying Ind AS 110 - "Consolidated Financial Statements".

3) During the previous year and quarter ended March 31, 2023, subsequent to the settlement agreement with the State of Texas on February 8, 2022, the Group had agreed for an early payment schedule for the settlement of the liability. Pursuant to this revision, Group had recorded an additional cost of Rs.11 crores due to unwinding of the discount (basis the original payment schedule) and has disclosed this as 'Exceptional items'.

4) During the previous year ended March 31, 2023, the Group has provided/ incurred loss of Rs. 123 crores w.r.t property , plant and equipment sold/ held for sale, Rs. 17 crores for inventory, Rs. 80 crores for claims incurred/ expected claims from customers and Rs. 13 crores for other costs pursuant to the restructuring of business in USA and has disclosed these as 'Exceptional items'.
The impact of the above matters for the quarter ended March 31, 2023 was Rs. 85 crores.

5) The Company had accounted for a contract asset of Rs. 50 crores pursuant to a contract manufacturing agreement The Customer is yet to fulfill its contractual obligations and commitments. Though, the Company is pursuing various options and taking necessary actions related to this matter, given the uncertainty, the Company had provided for this contract asset in the previous year and this was disclosed as 'Exceptional items'. The Company had also purchased certain specific inventory for this contract which has not been used. The Company is continuing to evaluate alternate options to liquidate/ utilize such inventory, pending which, during the current quarter, the Company has made a provision of Rs. 14 crores for such inventory basis the current assessment and information available as on date. This expenditure is also reported as 'Exceptional items'.

6) During the quarter ended June 30 2023, the Company has allotted 6,250 Equity shares of face value of Rs. 5 each pursuant to exercise of employee stock options.

7) **Key Financials on Standalone basis:**

**(Rs. in Crore)**

| PARTICULARS | 3 MONTHS ENDED 30/06/2023 | 3 MONTHS ENDED 31/03/2023 | 3 MONTHS ENDED 30/06/2022 | YEAR ENDED 31/03/2023 |
|---|---|---|---|---|
| | Unaudited | Audited | Unaudited | Audited |
| Total Income | 257 | 320 | 290 | 1,139 |
| Loss before tax | (115) | (289) | (54) | (513) |
| Loss after tax | (115) | (299) | (37) | (466) |

Note: The unaudited standalone results have been filed with the Stock Exchanges under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are available on the Stock Exchanges websites (www.nseindia.com and www.bseindia.com ) and also on the Company's website www.wockhardt.com.

8) Figures for the quarter ended March 31, 2023 are the balancing figures between the audited figures of the full financial year and the reviewed figures upto the third quarter of financial year 2022-23.

9) The Group is exclusively into Pharmaceutical business Segment.

10) For List of Subsidiaries as on June 30, 2023 please refer Annexure.

WOCKHARDT LTD.

FOR WOCKHARDT LIMITED

H F KHORAKIWALA
CHAIRMAN
DIN: 00045608

Mumbai
Date : August 14, 2023

BSR & Co. LLP
14th Floor,
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Chartered Accountants

**WOCKHARDT LIMITED**

Registered Office: D-4 MIDC, Chikalthana, Aurangabad - 431 006

Global Headquarters: Wockhardt Towers, Bandra Kurla Complex, Bandra (East), Mumbai 400 051

**Annexure to Note 10 of consolidated unaudited results for the quarter ended June 30, 2023.**

**List of Subsidiaries as on June 30, 2023**

1 Wockhardt UK Holdings Limited
2 CP Pharmaceuticals Limited
3 CP Pharma (Schweiz) AG
4 Wallis Group Limited
5 The Wallis Laboratory Limited
6 Wockhardt Farmaceutica Do Brasil Ltda
7 Wallis Licensing Limited
8 Wockhardt Infrastructure Development Limited
9 Z & Z Services GmbH
10 Wockhardt Europe Limited
11 Wockhardt Nigeria Limited
12 Wockhardt USA LLC
13 Wockhardt UK Limited
14 Wockpharma Ireland Limited
15 Pinewood Laboratories Limited
16 Pinewood Healthcare Limited
17 Laboratoires Negma S.A.S.
18 Wockhardt France (Holdings) S.A.S.
19 Wockhardt Holding Corp.
20 Morton Grove Pharmaceuticals Inc.
21 MGP Inc.
22 Wockhardt Farmaceutica SA DE CV
23 Wockhardt Services SA DE CV
24 Wockhardt Bio AG
25 Wockhardt Bio (R) LLC
26 Wockhardt Bio Pty Limited
27 Wockhardt Bio Limited
28 Wockhardt Medicines Limited
29 Wockhardt Biologics Limited

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Mumbai - 400 063
Chartered Accountants

MSKC & Associates
Chartered Accountants

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Western Express Highway, Geetanjali Railway Colony
Ram Nagar, Goregaon (E) Mumbai 400063, INDIA

**Independent Auditor's Review Report on Standalone unaudited financial results of Wockhardt Limited for the quarter ended June 30, 2024 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

**To The Board of Directors of Wockhardt Limited**

1. We have reviewed the accompanying statement of standalone unaudited financial results of Wockhardt Limited (hereinafter referred to as 'the Company') for the quarter ended June 30, 2024 ('the Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Regulations').

2. This Statement, which is the responsibility of the Company's Management and has been approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder ('Ind AS 34') and other recognised accounting principles generally accepted in India and is in compliance with the Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 and other recognised accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. The comparative financial results of the Company for the quarter ended June 30, 2023 and for the year ended March 31, 2024 included in this Statement had been reviewed/audited by the predecessor auditor whose report dated August 14, 2023 and May 28, 2024 respectively, expressed an unmodified opinion on that Statement.

   Our conclusion is not modified in respect of the above matter.

**For M S K C & Associates**
Chartered Accountants
ICAI Firm Registration Number: 001595S

Bhavik L. Shah
Membership No. 122071
UDIN: 24122071BKENCV9884

Place: Mumbai
Date: August 09, 2024

**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

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**(Rs in Crore except per share data)**

**STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER ENDED JUNE 30, 2024**

| | PARTICULARS | 3 MONTHS ENDED 30/06/2024 | 3 MONTHS ENDED 31/03/2024 | 3 MONTHS ENDED 30/06/2023 | YEAR ENDED 31/03/2024 |
|---|---|---|---|---|---|
| | (Refer notes below) | Unaudited | Audited (Refer note 2) | Unaudited | Audited |
| 1 | **Income** | | | | |
| | (a) Revenue from operations | 352 | 355 | 251 | 1,154 |
| | (b) Other income | 27 | 24 | 6 | 41 |
| | **Total income** | **379** | **379** | **257** | **1,195** |
| 2 | **Expenses** | | | | |
| | (a) Cost of materials consumed | 82 | 92 | 62 | 285 |
| | (b) Purchase of stock-in-trade | 31 | 41 | 35 | 162 |
| | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 14 | 2 | 6 | 14 |
| | (d) Employee benefits expense | 62 | 62 | 63 | 247 |
| | (e) Finance costs | 58 | 59 | 58 | 237 |
| | (f) Depreciation and amortisation expense | 43 | 45 | 44 | 176 |
| | (g) Impairment of asset held for sale | - | 79 | - | 79 |
| | (h) Exchange fluctuation loss, net | 1 | - | - | - |
| | (i) Other expenses | 82 | 125 | 90 | 403 |
| | **Total expenses** | **373** | **505** | **358** | **1,603** |
| 3 | **Profit/(Loss) before exceptional items and tax (1-2)** | **6** | **(126)** | **(101)** | **(408)** |
| 4 | Exceptional items- charge | - | - | (14) | (14) |
| 5 | **Profit/(Loss) after exceptional items before tax (3 ± 4)** | **6** | **(126)** | **(115)** | **(422)** |
| 6 | Tax expense: | | | | |
| | Current tax | - | - | - | |
| | Deferred tax | - | - | - | - |
| 7 | **Net profit/(loss) after tax (5 ± 6)** | **6** | **(126)** | **(115)** | **(422)** |
| 8 | Other Comprehensive Income: | | | | |
| | i) Items that will not be reclassified to Profit or Loss - (charge)/credit (consisting of re-measurement of net defined benefit (liability)/asset) | (0.26) | (3) | 1 | (1) |
| | ii) Income tax relating to items that will not be reclassified to Profit or Loss | - | - | - | - |
| | iii) Other Comprehensive Income (net of tax) (8i ± 8ii) | (0.26) | (3) | 1 | (1) |
| 9 | **Total Comprehensive Income (7 ± 8(iii))** | **6** | **(129)** | **(114)** | **(423)** |
| 10 | Paid-up equity share capital (face value of Rs. 5/- each) | 77 | 77 | 72 | 77 |
| 11 | Other Equity excluding Revaluation Reserves as per balance sheet | | | | 1,719 |
| 12 | Earnings per share (face value of Rs. 5/- each) (*not annualised) | | | | |
| | (a) Basic (Rs.) | 0.39* | (8.71)* | (8.01)* | (29.27) |
| | (b) Diluted (Rs.) | 0.39* | (8.71)* | (8.01)* | (29.27) |

MSKC & ASSOCIATES Chartered Accountants

WOCKHARDT LTD.

Notes To Standalone Results :-

1) The results were reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on August 09, 2024. The results have been subjected to limited review by the Statutory Auditors of the Company.

2) Figures for the quarter ended March 31, 2024 is the balancing figure between the audited figures of the full financial year and the reviewed figures upto the third quarter of financial year 2023-24.

3) The Company is exclusively into Pharmaceutical business Segment.

Mumbai
Date: August 09, 2024

MSKC & ASSOCIATES Chartered Accountants

WOCKHARDT LTD.

**FOR WOCKHARDT LIMITED**

**H.F KHORAKIWALA**
**CHAIRMAN**
**DIN:00045608**

MSKC & Associates
Chartered Accountants

602, Floor 6, Raheja Titanium
Western Express Highway, Geetanjali Railway Colony
Ram Nagar, Goregaon (E) Mumbai 400063, INDIA

**Independent Auditor's Review Report on Consolidated unaudited financial results of Wockhardt Limited for the quarter ended June 30, 2024 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**To the Board of Directors of Wockhardt Limited**

1. We have reviewed the accompanying Statement of consolidated unaudited financial results of Wockhardt Limited (hereinafter referred to as 'the Holding Company'), its subsidiaries, (the Holding Company and its subsidiaries together referred to as the 'Group') for the quarter ended June 30, 2024 ('the Statement') attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Regulations').

2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder ('Ind AS 34') and other recognised accounting principles generally accepted in India and is in compliance with the Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33 (8) of the Regulations, to the extent applicable.

4. This Statement includes the results of the Holding Company and the following entities:

| Sr. No | Name of the Entity | Relationship with the Holding Company |
|---|---|---|
| 1 | Wockhardt UK Holdings Limited | Wholly Owned Subsidiary |
| 2 | CP Pharmaceuticals Limited | Step-Down Subsidiary |

| | | |
|---|---|---|
| 3 | CP Pharma (Schweiz) AG | Step-Down Subsidiary |
| 4 | Wallis Group Limited | Step-Down Subsidiary |
| 5 | The Wallis Laboratory Limited | Step-Down Subsidiary |
| 6 | Wockhardt Farmaceutica Do Brasil Ltda | Step-Down Subsidiary |
| 7 | Wallis Licensing Limited | Step-Down Subsidiary |
| 8 | Wockhardt Infrastructure Development Limited | Wholly Owned Subsidiary |
| 9 | Z&Z Services GmbH | Step-Down Subsidiary |
| 10 | Wockhardt Europe Limited | Wholly Owned Subsidiary |
| 11 | Wockhardt Nigeria Limited | Step-Down Subsidiary |
| 12 | Wockhardt USA LLC | Step-Down Subsidiary |
| 13 | Wockhardt UK Limited | Step-Down Subsidiary |
| 14 | Wockpharma Ireland Limited | Step-Down Subsidiary |
| 15 | Pinewood Laboratories Limited | Step-Down Subsidiary |
| 16 | Pinewood Healthcare Limited | Step-Down Subsidiary |
| 17 | Wockhardt France (Holdings) S.A.S. | Step-Down Subsidiary |
| 18 | Wockhardt Holding Corp. | Step-Down Subsidiary |
| 19 | Morton Grove Pharmaceuticals Inc. | Step-Down Subsidiary |
| 20 | MGP Inc. | Step-Down Subsidiary |
| 21 | Wockhardt Farmaceutica SA DE CV | Step-Down Subsidiary |
| 22 | Wockhardt Services SA DE CV | Step-Down Subsidiary |
| 23 | Wockhardt Bio AG | Subsidiary |
| 24 | Wockhardt Bio (R) LLC | Step-Down Subsidiary |
| 25 | Wockhardt Bio Pty Limited | Step-Down Subsidiary |
| 26 | Wockhardt Bio Limited | Step-Down Subsidiary |
| 27 | Wockhardt Medicines Limited | Wholly Owned Subsidiary |

| | | |
|---|---|---|
| 28 | Wockhardt Bionova Limited (formerly known as Wockhardt Biologics Limited until April 22, 2024) | Wholly Owned Subsidiary |

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 6 and 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 and other recognised accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We did not review the interim financial information of 5 subsidiaries included in the Statement, whose interim financial information (before Consolidation Adjustments) reflects total revenues of Rs. 660 crores, total net loss after tax of Rs. 20 crores and total comprehensive loss of Rs. 20 crores, for the quarter ended June 30, 2024. These interim financial information have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the report of the other auditors and the procedures performed by us as stated in paragraph 3 above.

   Our conclusion is not modified in respect of the above matter with respect to our reliance on the work done by and report of the other auditors.

7. The Statement includes the interim financial information of 17 subsidiaries which have not been reviewed by their auditors, whose interim financial information (before Consolidation Adjustments) reflects total revenue of Rs. 16 crores, total net profit after tax of Rs. 4 crores and total comprehensive income of Rs. 4 crores for the quarter ended June 30, 2024. These interim financial information have been furnished to us by the Management and our conclusion on the Statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on such management prepared unaudited interim financial information. According to the information and explanations given to us by the Management, these interim financial information are not material to the Group.

   Our conclusion is not modified in respect of the above matter with respect to our reliance on the financial result certified by the management.

8. The comparative consolidated financial results of the Company for the quarter ended June 30, 2023 and for the year ended March 31, 2024 included in this Statement had been reviewed/audited by the predecessor auditor whose report dated August 14, 2023 and May 28, 2024 respectively, expressed an unmodified opinion on that Statement.

   Our conclusion is not modified in respect of the above matter.

**For M S K C & Associates**
Chartered Accountants
ICAI Firm Registration Number: 001595S

Bhavik L. Shah
Membership No.: 122071
UDIN: 24122071BKENCW3723
Place: Mumbai
Date: August 09, 2024

**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

Tel: 91 22 2653 4444; Fax: 91 22 2652 3905; e-mail id: investorrelations@wockhardt.com, Website: www.wockhardt.com

**STATEMENT OF CONSOLIDATED UNAUDITED RESULTS FOR THE QUARTER ENDED JUNE 30, 2024**

| | PARTICULARS | 3 MONTHS ENDED 30/06/2024 | 3 MONTHS ENDED 31/03/2024 | 3 MONTHS ENDED 30/06/2023 | YEAR ENDED 31/03/2024 |
|---|---|---|---|---|---|
| | (Refer Notes Below) | Unaudited | Audited (Refer note 4) | Unaudited | Audited |
| 1 | **Income** | | | | |
| | (a) Revenue from operations | 739 | 700 | 644 | 2,798 |
| | (b) Other income | 30 | 54 | 14 | 83 |
| | **Total income** | **769** | **754** | **658** | **2,881** |
| 2 | **Expenses** | | | | |
| | (a) Cost of materials consumed | 150 | 144 | 137 | 620 |
| | (b) Purchase of stock-in-trade | 153 | 154 | 150 | 559 |
| | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 10 | (4) | (5) | (14) |
| | (d) Employee benefits expense | 160 | 157 | 154 | 629 |
| | (e) Finance costs | 73 | 73 | 79 | 305 |
| | (f) Depreciation and amortisation expense | 54 | 58 | 55 | 223 |
| | (g) Impairment of asset held for sale | - | 79 | - | 79 |
| | (h) Exchange fluctuation loss, net | 1 | - | 2 | - |
| | (i) Loss on sale of property, plant and equipment | - | 44 | - | 52 |
| | (j) Other expenses | 174 | 229 | 190 | 834 |
| | **Total expenses** | **775** | **934** | **762** | **3,287** |
| 3 | **Loss before exceptional items and tax (1-2)** | **(6)** | **(180)** | **(104)** | **(406)** |
| 4 | Exceptional items- charge | - | - | (14) | (14) |
| 5 | **Loss after exceptional items and before tax (3 ± 4)** | **(6)** | **(180)** | **(118)** | **(420)** |
| 6 | Tax expense: | | | | |
| | Current tax - charge | 2 | 2 | 9 | 16 |
| | Deferred tax - charge/ (credit) - (Net) | 8 | (5) | 9 | 36 |
| 7 | **Loss after tax (5 ± 6)** | **(16)** | **(177)** | **(136)** | **(472)** |
| | Attributable to : | | | | |
| | Equity shareholders of the Company | (14) | (169) | (134) | (463) |
| | Non - Controlling Interest | (2) | (8) | (2) | (9) |
| 8 | **Other Comprehensive Income** | | | | |
| | (a) Items that will not be reclassified to Profit or Loss - (charge)/ credit (consisting of re-measurement of net defined benefit (liability) / asset) | (0.26) | (11) | 1 | (9) |
| | (b) Income tax relating to items that will not be reclassified to Profit or Loss - credit/(charge) | - | 1 | - | 1 |
| | (c) Items that will be reclassified to Profit or Loss - (charge)/ credit (Consisting of Exchange differences on translating the financial statements of foreign operations) | (3) | (30) | (2) | 14 |
| | (d) Other Comprehensive Income (net of tax) (a ± b ± c) | (3) | (40) | (1) | 6 |
| 9 | **Total Comprehensive Income (7 ± 8 (d))** | **(19)** | **(217)** | **(137)** | **(466)** |
| | Other Comprehensive Income attributable to : | | | | |
| | Equity shareholders of the Company | (4) | (36) | - | 2 |
| | Non - Controlling Interest | 1 | (4) | (1) | 4 |
| | Total Comprehensive Income attributable to : | | | | |
| | Equity shareholders of the Company | (18) | (205) | (134) | (461) |
| | Non - Controlling Interest | (1) | (12) | (3) | (5) |
| 10 | Paid-up equity share capital (face value of Rs. 5/- each) | 77 | 77 | 72 | 77 |
| 11 | Other Equity excluding Revaluation Reserves as per Balance Sheet | | | | 3,282 |
| 12 | Earnings per equity share (face value of Rs. 5/- each) (*not annualised) | | | | |
| | (a) Basic (Rs.) | (0.95)* | (11.64)* | (9.28)* | (32.05) |
| | (b) Diluted (Rs.) | (0.95)* | (11.64)* | (9.28)* | (32.05) |

MSKC & ASSOCIATES Chartered Accountants

WOCKHARDT LTD.

**Notes To Consolidated Results:-**

1) The results were reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on August 09, 2024. The results have been subjected to limited review by the Statutory Auditors of the Company.

2) The Consolidated Results relate to Wockhardt Limited ('the Company' or 'the Holding Company') and its Subsidiaries (together constitute 'the Group') and are prepared by applying Ind AS 110 - "Consolidated Financial Statements".

3) **Key Financials on Standalone basis:**

| PARTICULARS | 3 MONTHS ENDED 30/06/2024 | 3 MONTHS ENDED 31/03/2024 | 3 MONTHS ENDED 30/06/2023 | YEAR ENDED 31/03/2024 |
|---|---|---|---|---|
| | Unaudited | Audited (Refer Note 4) | Unaudited | Audited |
| Total Income | 379 | 379 | 257 | 1,195 |
| Profit (Loss) before tax | 6 | (126) | (115) | (422) |
| Profit (Loss) after tax | 6 | (126) | (115) | (422) |

Note: The unaudited standalone results have been filed with the Stock Exchanges under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are available on the Stock Exchanges websites (www.nseindia.com and www.bseindia.com ) and also on the Company's website www.wockhardt.com.

4) Figures for the quarter ended March 31, 2024 is the balancing figures between the audited figures of the full financial year and the reviewed figures upto the third quarter of financial year 2023-24.

5) The Group is exclusively into Pharmaceutical business Segment.

6) For List of Subsidiaries as on June 30, 2024 please refer Annexure.

MSKC & ASSOCIATES Chartered Accountants

WOCKHARDT LTD.

FOR WOCKHARDT LIMITED

Mumbai
Date : August 09, 2024

H F KHORAKIWALA
CHAIRMAN
DIN: 00045608

**WOCKHARDT LIMITED**

Registered Office: D-4 MIDC, Chikalthana, Aurangabad - 431 006

Global Headquarters: Wockhardt Towers, Bandra Kurla Complex, Bandra (East), Mumbai 400 051

**Annexure to Note 6 of Consolidated unaudited Results for the Quarter ended June 30, 2024.**

**List of Subsidiaries as on June 30, 2024**

1 Wockhardt UK Holdings Limited
2 CP Pharmaceuticals Limited
3 CP Pharma (Schweiz) AG
4 Wallis Group Limited
5 The Wallis Laboratory Limited
6 Wockhardt Farmaceutica Do Brasil Ltda
7 Wallis Licensing Limited
8 Wockhardt Infrastructure Development Limited
9 Z & Z Services GmbH
10 Wockhardt Europe Limited
11 Wockhardt Nigeria Limited
12 Wockhardt USA LLC
13 Wockhardt UK Limited
14 Wockpharma Ireland Limited
15 Pinewood Laboratories Limited
16 Pinewood Healthcare Limited
17 Wockhardt France (Holdings) S.A.S.
18 Wockhardt Holding Corp.
19 Morton Grove Pharmaceuticals Inc.
20 MGP Inc.
21 Wockhardt Farmaceutica SA DE CV
22 Wockhardt Services SA DE CV
23 Wockhardt Bio AG
24 Wockhardt Bio (R) LLC
25 Wockhardt Bio Pty Limited
26 Wockhardt Bio Limited
27 Wockhardt Medicines Limited
28 Wockhardt Bionova Limited (formerly known as Wockhardt Biologics Limited untill April 22, 2024)

## GENERAL INFORMATION

- Our Company was incorporated as '*Wockhardt Pharmaceuticals Limited*' on July 8, 1999, as a public limited company under the Companies Act, 1956, as amended pursuant to a certificate of incorporation granted by the RoC. Our Company received the certificate of commencement of business from the RoC on September 1, 1999. Subsequently, pursuant to a board resolution passed on December 3, 1999, and special resolution passed at the meeting of the shareholders held on December 3, 1999, the name of our Company was changed to '*Wockhardt Limited*' and consequently, a fresh certificate of incorporation, dated December 28, 1999, was issued by the RoC. For further details, see the sections titled, "***Organisational Structure of our Company***" on page 215.
- The Equity Shares of our Company were listed on BSE Limited and the NSE Limited on February 21, 2000 and February 23, 2000, respectively. Our Company has received in-principle approvals to list the Equity Shares to be issued pursuant to the Issue from each BSE and NSE on November 6, 2024, under Regulation 28(1) of the SEBI Listing Regulations.
- Our Registered Office is located at Wockhardt Research Centre, D-4, MIDC, Chikalthana, Chhatrapati Sambhajinagar 431 006, Maharashtra, India.
- The CIN of the Company is L24230MH1999PLC120720.
- The website of our Company is www.wockhardt.com.
- The authorised share capital of our Company is ₹ 11,250,000,000 divided into 250,000,000 Equity Shares of ₹5 each and 2,000,000,000 Preference Shares of ₹5 each.
- The Issue was authorised and approved by the Board pursuant to the resolution dated May 28, 2024, by the shareholders pursuant to the special resolution dated June 28, 2024. Our Company has been authorised to raise funds up to ₹ 1,000 crores by way of issue of securities including the Equity Shares.
- In compliance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CRISIL Ratings Limited as the Monitoring Agency, for monitoring the utilisation of the proceeds in relation to the Issue. The Monitoring Agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.
- Copies of our Memorandum of Association and Articles of Association will be available for inspection between 9:30 am to 5:30 pm on any weekday (except Saturdays and public holidays) at our Registered Office.
- Except as disclosed in this Preliminary Placement Document, our Company has obtained all necessary consents, approvals and authorisations as may be required in connection with the Issue.
- There has been no material change in the financial or trading position of our Company since March 31, 2024, the date of the Audited Consolidated Financial Information prepared in accordance with applicable accounting standards included in this Preliminary Placement Document, except as disclosed herein.
- Except as disclosed in this Preliminary Placement Document, there are no material litigation or arbitration proceedings against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue. For further details, see "***Legal Proceedings***" on page 261.
- As on the date of this Preliminary Placement Document, M S K C & Associates, Chartered Accountants, having Firm Registration No. 001595S is the statutory auditor of our Company.
- Our Company is in compliance with the minimum public shareholding requirements as required under the SEBI Listing Regulations and Rule 19A of the SCRR.
- The Floor Price is ₹ 1,162.25 per Equity Share, calculated in accordance with the provisions of Chapter VI of the SEBI ICDR Regulations, as certified by the Independent Chartered Accountant, Harshil Patel & Co., Chartered Accountant. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of our Board resolution dated May 28, 2024, and the shareholders of the Company accorded through a special resolution dated June 28, 2024, and Regulation 176(1) of the SEBI ICDR Regulations.
- Our Company and the BRLM accept no responsibility for statements made otherwise than in this Preliminary Placement Document and anyone placing reliance on any other source of information, including our website, would be doing so at their own risk.

- Rashmi Dinesh Mamtura is the Company Secretary and Compliance Officer of our Company. Her details are as follows:

  **Rashmi Dinesh Mamtura**
  Company Secretary and Compliance Officer
  Wockhardt Towers, Bandra Kurla Complex,
  Bandra (East), Mumbai 400 051
  Maharashtra, India
  **Tel:** +91 22 2653 4444
  **E-mail:** rashmim@wockhardt.com

## DETAILS OF PROPOSED ALLOTTEES

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made at the sole and absolute discretion of our Company, in consultation with the BRLM, to Eligible QIBs. The names of the proposed Allottees and the percentage of post-Issue capital that may be held by them is set forth below. These details of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, will be included in the Placement Document to be sent to such proposed Allottees.

| S. No. | Name of the proposed Allottees | Percentage of the post-Issue share capital held (%)[(1)(2)] |
|---|---|---|
| 1. | [●] | [●] |
| 2. | [●] | [●] |
| 3. | [●] | [●] |
| 4. | [●] | [●] |
| 5. | [●] | [●] |
| 6. | [●] | [●] |
| 7. | [●] | [●] |
| 8. | [●] | [●] |
| 9. | [●] | [●] |
| 10. | [●] | [●] |

*(1) Based on beneficiary position as on [●].*

*(2) Subject to receipt of funds and allotment in the Issue. The above table has been intentionally left blank and shall be updated in the Placement Document.*

## DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on our Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

**Signed by:**

_____

**Murtaza Habil Khorakiwala**
*Managing Director*

**Date:** November 6, 2024
**Place:** Mumbai, Maharashtra

## DECLARATION

We, the Board of the Company, certify that:

(i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules thereunder does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government;

(iii) the monies received under the Issue shall be used only for the purposes and objects indicated in this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4).

**SIGNED ON BEHALF OF THE BOARD OF DIRECTORS**

**Signed by:**

_____

**Murtaza Habil Khorakiwala**
*Managing Director*

I am authorized by the Capital Raising Committee, *vide* resolution dated November 6, 2024 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed:

_____

**Murtaza Habil Khorakiwala**
*Managing Director*

**Date:** November 6, 2024
**Place:** Mumbai, Maharashtra

**WOCKHARDT LIMITED**

**CIN:** L24230MH1999PLC120720

**Registered Office**
Wockhardt Research Centre
D-4, MIDC, Chikalthana
Chhatrapati Sambhajinagar 431 006
Maharashtra, India

**Corporate Office**
Wockhardt Towers
Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Maharashtra, India

**Tel:** +91 240 6694 444/ +91 22 2653 4444
**Email:** investorrelations@wockhardt.com
**Website**: www.wockhardt.com

**Contact Person:**
**Rashmi Dinesh Mamtura**
**Designation**: Company Secretary and Compliance Officer
**Tel:** +91 22 2653 4444
**Email:** rashmim@wockhardt.com
**Address:** Wockhardt Towers
Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Maharashtra, India

**BOOK RUNNING LEAD MANAGER**

**DAM Capital Advisors Limited**
One BKC, Tower C, 15th Floor
Unit No.1511Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Maharashtra, India

**STATUTORY AUDITORS OF OUR COMPANY**

**M S K C & Associates, Chartered Accountants**
602, 6th Floor, Raheja Titanium,
Western Express Highway, Geetanjali Railway Colony,
Ram Nagar, Goregaon East
Mumbai – 400063

**LEGAL COUNSELS**

*Domestic Legal Counsel to the Issue*

**Trilegal**

One World Centre
10th Floor, Tower 2A and 2B
Senapati Bapat Marg, Lower Parel (West)
Mumbai 400 013, Maharashtra, India

*Special International Legal Counsel to the Book Running Lead Manager*

**Duane Morris & Selvam LLP**

16 Collyer Quay, #17-00
Collyer Quay Centre
Singapore 049318

# APPLICATION FORM

| WOCKHARDT LIMITED | APPLICATION FORM |
|---|---|
| *(Incorporated in the Republic of India under the provisions of the Companies Act, 1956)*<br>Wockhardt Limited (the "Company" or the "Issuer") was incorporated as 'Wockhardt Pharmaceuticals Limited' on July 8, 1999, as a public limited company under the Companies Act, 1956 pursuant to a certificate of incorporation granted by the Registrar of Companies, Maharashtra at Mumbai (the "**RoC**"). Our Company received the certificate of commencement of business from the RoC on September 1, 1999. Subsequently, pursuant to a board resolution passed on December 3, 1999, and special resolution passed at the meeting of the shareholders held on December 3, 1999, the name of our Company was changed to 'Wockhardt Limited' and consequently, a fresh certificate of incorporation, dated December 28, 1999, was issued by the RoC.<br>**Registered Office**: Wockhardt Research Centre, D-4, MIDC, Chikalthana, Chhatrapati Sambhajinagar 431 006, Maharashtra, India. \| **Corporate Office**: Wockhardt Towers, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India.<br>**CIN**: L24230MH1999PLC120720; **Website**: www.wockhardt.com<br>**Telephone**: +91 240 6694 444/+91 22 2653 4444; **Email:** investorrelations@wockhardt.com<br>**LEI No:** 3358001OC2OX7OZAHZ33 \| **ISIN:** INE049B01025 | **Name of the Bidder: _____**<br>**Form. No.: _____**<br>**Date:_____** |

**QUALIFIED INSTITUTIONS PLACEMENT OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹5 EACH (THE "EQUITY SHARES") FOR CASH, AT A PRICE OF ₹[●] PER EQUITY SHARE (THE "ISSUE PRICE"), INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE, AGGREGATING UP TO ₹[●] CRORES* UNDERTAKEN IN ACCORDANCE WITH CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND UNDER SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER BY WOCKHARDT LIMITED (THE "COMPANY" OR THE "ISSUER", AND SUCH ISSUE, THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 1,162.25 PER EQUITY SHARE AND OUR COMPANY MAY OFFER A DISCOUNT OF UPTO 5% ON THE FLOOR PRICE, AS APPROVED BY ITS SHAREHOLDERS.**

** Subject to allotment of Equity Shares pursuant to the Issue.*

**Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which (i) are not, (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; (b) prohibited or debarred by any regulatory authority for buying or selling or dealing in securities or restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws; (ii) hold a valid and existing registration under the applicable laws in India (as applicable); (iii) are eligible to invest in the Issue and submit this Application Form, and (iv) are (a) residents in India or (b) foreign portfolio investors participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA Rules"), the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 (the "SEBI FPI Regulations") and any other applicable law (other than individuals, corporate bodies and family offices), defined hereinafter ("Eligible FPIs") or a (c) multilateral or bilateral development financial institution eligible to invest in India under applicable law including the FEMA Rules; can submit this Application Form. Further, in terms of the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended, foreign venture capital investors ("FVCIs") are not permitted to participate in the Issue. The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act ("Regulation S") and in accordance with the applicable laws of the jurisdictions where those offers and sales are made. You should note and observe the selling and transfer restrictions contained in the sections entitled "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" in the accompanying preliminary placement document dated November 6, 2024 (the "PPD").**

**ONLY ELIGIBLE QIBs ARE PERMITTED TO PARTICIPATE IN THE ISSUE. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THIS ISSUE, THROUGH PORTFOLIO INVESTMENT SCHEME AND SCHEDULE II OF THE FEMA RULES, READ WITH THE RESTRICTIONS SPECIFIED IN THE "ISSUE PROCEDURE" SECTION OF THE PPD SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE, AS PRESCRIBED UNDER THE FEMA RULES AND SHALL HAVE TO BE IN CONFORMITY WITH THE APPLICABLE PROVISIONS OF THE FEMA RULES. ALLOTMENTS MADE TO AIFs AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, INCLUDING THE FEMA RULES. OTHER ELIGIBLE NON-RESIDENT QIBs SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF FEMA RULES. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.**

**To,**

The Board of Directors
**Wockhardt Limited**
Wockhardt Research Centre, D-4, MIDC, Chikalthana, Chhatrapati Sambhajinagar 431 006, Maharashtra, India.

Respected All,

On the basis of the serially numbered PPD of the Company, and subject to the terms and conditions mentioned in the other sections of the PPD and in this Application Form, we hereby submit our Bid for the Allotment of the Equity Shares in the Issue on the terms and price indicated below. We hereby confirm that we are an Eligible QIB as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations, holding a valid and existing registration under the applicable laws in India (as applicable) and which is not, (a) excluded from making an application in the Issue pursuant to Regulation 179(2)(b) of the SEBI ICDR

| **STATUS** (Insert '✓' for applicable category) | | | |
|---|---|---|---|
| **FI** | Scheduled Commercial Banks and Financial Institutions | **AIF** | Alternative Investment Fund* |
| **MF** | Mutual Funds | **IF** | Insurance Funds |
| **FPI** | Eligible Foreign Portfolio Investor** | **NIF** | National Investment Fund |
| **VCF** | Venture Capital Funds* | **SI- NBFC** | Systemically Important Non-Banking Financial Companies |

Regulations and (b) restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange laws. We are not a promoter of the Company, or any person related to the Promoters, directly or indirectly (as defined in SEBI ICDR Regulations) and the Bid does not directly or indirectly represent the Promoters or members of the Promoter Group, or persons or entities related to the Promoters. Further, we confirm that we do not have any right under the shareholders' agreement or voting agreement entered into with Promoters, members of the Promoter Group or persons related to Promoters, veto rights or right to appoint any nominee director on the board of directors of the Company. In addition, we confirm that we are eligible to invest in the Equity Shares under the SEBI ICDR Regulations, Reserve Bank of India circulars, and other applicable laws. We confirm that we are neither an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules. We confirm that we are either a QIB which is (a) resident in India, or (b) an Eligible FPI or (c) a multilateral or bilateral development financial institution. We confirm that we are not an FVCI. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020.

| | | | |
|---|---|---|---|
| **IC** | Insurance Companies | **OTH** | Others<br>_____<br>(Please specify) |
| ** Sponsor and Manager should be Indian owned and controlled.*<br>*** Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue.* | | | |

We confirm that the Bid size/ aggregate number of Equity Shares applied for by us, and which may be Allotted to us thereon will not exceed the relevant regulatory or approved limits under applicable laws. We confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**SEBI Takeover Regulations**"). We confirm that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us, in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the Preliminary Placement Document and this Application Form. We confirm that, in relation to our application, each Eligible FPIs, have submitted separate Application Forms, and asset management companies or custodians of mutual funds have specified the details of each scheme for which the application is being made along with the Bid Amount and number of Equity Shares bid for under each such scheme. We undertake that we will sign and/ or submit all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue.

We note that the Board of Directors of the Company or any duly authorized committee thereof, is entitled, in consultation with DAM Capital Advisors Limited (the "**BRLM**"), the book running lead manager in relation to the Issue, in its absolute discretion, to accept or reject this Application Form without assigning any reason thereof. We hereby accept the Equity Shares that may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, the Placement Document (when issued), and the confirmation of allocation note ("**CAN**") (when issued) and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account as per the details given below, subject to receipt of Application Form and the Bid Amount towards the Equity Shares that may be Allocated to us. The amount payable by us as Bid Amount for the Equity Shares applied for in the Issue, has been/will be remitted to the designated bank account set out in this Application Form only through electronic mode, along with this duly completed Application Form prior to or on the Issue Closing Date and such Bid Amount has been /will be transferred from a bank account maintained in our name, and in case we are joint holders, from the bank account of the person whose name appears first in the Application Form. We acknowledge and agree that we have not/shall not make any payment in cash, demand draft, or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the BRLM; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount has been paid by us.

We further understand, agree and consent that: (i) our names, address, PAN, phone number, bank account details, email-id, and the number of Equity Shares Allotted, along with other relevant information as may be required will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware that our names will be included in the Placement Document as "proposed allottees", if applicable, along with the number of Equity Shares proposed to be Allotted to us, and the percentage of our post-Issue shareholding in the Company pursuant to the requirements under Form PAS-4 of the PAS Rules; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, Maharashtra at Mumbai as required in terms of the PAS Rules. We are also aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5.00% of the Equity Shares in this Issue, the Company shall be required to disclose our name, along with the name of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the website of National Stock Exchange of India Limited and BSE Limited (together referred to as the **"Stock Exchanges"**), and we consent to such disclosure. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and restriction on transferability. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and restriction on transferability, as may be applicable to us.

By signing and/or submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections entitled *"Notice to Investors", "Representations by Investors", "Issue Procedure", "Selling Restrictions"* and *"Transfer Restrictions and Purchaser Representations"* of the PPD and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the BRLM, each of whom is entitled to rely on and is relying on these representations, warranties in consummating the Issue.

By signing and submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, and have read it in its entirety including in particular, the section entitled "*Risk Factors"* therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the BRLM or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document (when provided), this Application Form, the CAN, when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Bid/Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the sole and absolute discretion of the Company in consultation with the BRLM and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose our names and the percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLM; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the BRLM; For the purposes of this representation: the expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations i.e. entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other Eligible QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the SEBI Takeover Regulations; (9) if we are participating in the Issue as an Eligible FPI, we are not an individual, corporate body, or family office (10) we agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, the Placement Document (when issued), this Application Form, the CAN (when issued), and the

terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below; (11) we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares; (12) we have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares; (13) no action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction; (14) we satisfy any and all relevant suitability standards for investors in Equity Shares, (15) we acknowledge that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws and that the Equity Shares are only being offered and sold only outside the United States in in "offshore transactions" as defined in, and in reliance on, Regulation S; and (16) we are located outside the United States (as defined in Regulation S) and we are not submitting this Application Form as a result of any "directed selling" efforts (as defined in Regulation S).

We acknowledge that once a duly filled Application Form, whether signed or not is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB.

| **BIDDER DETAILS (In Block Letters)** | | | |
|---|---|---|---|
| **NAME OF BIDDER*** | | | |
| **NATIONALITY** | | | |
| **REGISTERED ADDRESS** | | | |
| **CITY AND CODE** | | | |
| **COUNTRY** | | | |
| **TELEPHONE NO.** | | **FAX NO.** | |
| **EMAIL ID** | | | |
| **LEI** | | | |
| **FOR ELIGIBLE FPIs**** | **SEBI FPI Registration Number:** | **For AIFs***/ MFs/ VCFs***/ SI-NBFCs/ ICs/Ifs/ Pension Funds** | **SEBI AIF / MF/ VCF Registration Number / RBI Registrations details for SI-NBFCs / IRDAI Registration details for ICs/ PFRDA Registration details** |

* *Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund bidders are requested to provide details of the bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Issuer and the BRLM.*

** *In case you are an Eligible FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*

*** *Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

| **ESCROW ACCOUNT - BANK ACCOUNT DETAILS FOR PAYMENT OF AMOUNT THROUGH ELECTRONIC FUND TRANSFER REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER BY 3.00 P.M. (IST), [●], 2024** | |
|---|---|
| **Name of the Account** | WOCKHARDT LTD – ESCROW ACCOUNT QIP October 2024 |
| **Name of the Bank** | State Bank of India |
| **Address of the Branch of the Bank** | State Bank of India, IFB Andheri, 102, 1st floor, Natraj Building, 194, Sir M. V. Road, Western Express Highway – Metro Junction, Andheri (East), Mumbai 400 069. |
| **Account Type** | Escrow Account |
| **Account Number** | 43480840792 |
| **LEI Number** | 3358001OC2OX7OZAHZ33 |
| **IFSC** | SBIN0004732 |
| **Tel No.** | +91 240 6694 444 / +91 22 2653 4444 |
| **E-mail** | investorrelations@wockhardt.com |

The Bid Amount should be transferred pursuant to the Application Form within the Issue Period. All payments must be made only by way of electronic fund transfers, in favor of "WOCKHARDT LTD – ESCROW ACCOUNT QIP October 2024". Payment of the entire Bid Amount should be made along with the Application Form on or before the closure of the Bid/Issue Period, i.e., prior to the Bid/Issue Closing Date. **The payment for subscription to the Equity Shares to be allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.**

| **DEPOSITORY ACCOUNT DETAILS** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Depository Name | National Securities Depository Limited | | | | | | | | | Central Depository Services (India) Limited | | | | | | | | | | | | | | | | | | | | |
| Depository Participant Name | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| DP – ID | I | N | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Beneficiary Account Number | | | | | | | | | | (16-digit beneficiary A/c. No. to be mentioned above) | | | | | | | | | | | | | | | | | | | | |
| The demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. **However, for the purposes of refund, if any, only the bank account details as mentioned below, from which remittance towards subscription has been made, will be considered.** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

The Bidders are responsible for the accuracy of the bank account details mentioned below and acknowledge that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank account details provided by them. The Company and the BRLM shall not be liable in any manner for refunds that are not processed due to incorrect bank account details.

| **RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)** | | | |
|---|---|---|---|
| Bank Account Number | | IFSC Code | |
| Bank Name | | Bank Branch Address | |
| **NO. OF EQUITY SHARES BID FOR** | | **PRICE PER EQUITY SHARE (RUPEES)** | |
| (In figures) | (In words) | (In figures) | (In words) |
| | | | |
| **BID AMOUNT (RUPEES)** | | | |
| (In figures) | | (In words) | |
| | | | |

| DETAILS OF CONTACT PERSON | | | |
|---|---|---|---|
| **NAME** | | | |
| **ADDRESS** | | | |
| **TEL. NO.** | | **FAX NO.** | |
| **EMAIL** | | | |

| OTHER DETAILS | |
|---|---|
| **PAN*** | |
| **Date of Application** | |
| **Signature of Authorized Signatory (may be signed either physically or digitally)**** | |

**ENCLOSURES TO BE SUBMITTED***
(attach/certified true copy of the following)

Attested/ certified true copy of the following:

- ☐ Copy of PAN Card or PAN allotment letter
- ☐ Copy of FPI Registration Certificate /MF Registration certificate / SEBI certificate of registration for AIFs/VCF/SI-NBFC/IC/IF
- ☐ Certified copy of the certificate of registration issued by the RBI as an SI-NBFC/ a Scheduled Commercial Bank
- ☐ Copy of notification as a public financial institution
- ☐ FIRC
- ☐ Copy of IRDAI registration certificate
- ☐ Intimation of being part of the same group
- ☐ Certified true copy of power of attorney
- ☐ Other, please specify

**It is to be specifically noted that the Bidder should not submit the GIR Number or any other identification number instead of the PAN as the applications are liable to be rejected on this ground, unless the Bidder is exempted from the requirement of obtaining a PAN number under the Income-tax Act, 1961.*
***A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practical.*

*Note:*

*(1) Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD and the Placement Document, unless specifically defined herein.*

*(2) The Application Form is liable to be rejected if any information provided is incomplete or inadequate at the discretion of the Company in consultation with the BRLM.*

*(3) This Application Form, the PPD and the Placement Document sent to you/ be sent to you, either in physical form or both, are specific to you and you may not distribute or forward the same and are subject to disclaimer and restrictions contained in or accompanying these documents.*

*(4) The duly filed Application Form along with all enclosures shall be submitted to the BRLM either through electronic form at the email mentioned in the PPD or through physical delivery at the address mentioned in PPD.*